



General Services Administration

Annual Performance Plan

Fiscal Year 2002

Prepared by the Office of the Chief Financial Officer

**U.S. GENERAL SERVICES ADMINISTRATION
FY 2002 PERFORMANCE PLAN**

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GUIDE TO PUBLIC BUILDINGS SERVICE PERFORMANCE MEASURES (page 1 of 2)

Performance Goals	Performance Measures	Baseline	FY 2001	FY 2002	See Page
<u>REVENUE AND INVESTMENT</u>					
Generate between 98 and 102 percent of the revenue estimated in the FY 2002 Budget	Revenue collected divided by estimated total revenue	100%	98%–102%	98%–102%	20
Generate a capital investment contribution of 2.5% of the functional replacement value (FRV) of the owned inventory.	Contribution to capital as a % of FRV	4.1%	3.1%	4.4%	22
Reduce the amount of non-revenue producing space in the Government-owned inventory from 13% in FY 2000 to 12% in FY 2001.	% of Government-owned inventory not producing revenue	13.5%	12.0%	11.0%	24
Maintain the amount of non-revenue producing space in the leased inventory at 3.0% in FY 2001 and FY2002.	% of non-revenue producing leased space	3.7%	3.0%	3.0%	26
<u>REAL PROPERTY OPERATIONS</u>					
Complete first step “due care” for estimating financial liabilities for environmental clean-up for inventory.	Complete first step of “due care” for all Government-owned or leased properties.			100%	31
Maintain building operations costs in office and office-like space to 12% below private sector benchmarks.	% difference between GSA’s operating cost per square foot and the private sector costs.	13% below	12% below	12% below	32
Reduce indirect costs as a percentage of revenue from 10.1% in FY2001 to 10.0% in FY2002.	Indirect costs as a % of revenue	10.0%	10.1%	10.0%	34
Improve overall customer satisfaction to an overall 82% in FY2002.	% of tenants that rate GSA-owned space as satisfactory or better	80%	82%	82%	36
Improve to an overall 85% customer satisfaction level with security in FY 2002. .	% of tenants that rate GSA’s protective services satisfactory or better:	80%	85%	85%	38
For FY 2002, realize an annual reduction of 2.5% in the Regional Threat Composite Index from the baseline established at the start of FY 2002.	Reduction in the Regional Threat Composite Index	TBD	2%	2.5%	40
Improve energy reduction from 22% below the FY1985 baseline in FY2001 to 24% below in FY2002.	% reduction from FY1985 baseline	0%	22%	24%	41

GUIDE TO PUBLIC BUILDINGS SERVICE PERFORMANCE MEASURES (page 2 of 2)

Performance Goals	Performance Measures	Baseline	FY 2001	FY 2002	See Page
LEASING OPERATIONS					
Keep the cost for new GSA leased office space under the average for each of the four aggregate market ranges we track in FY2002.	Cost for leased space for each of the four aggregate markets.	TBD	Below industry average	Below industry average	44
Reduce the loss on operating leases to \$21.2 million	Loss on operating leases	\$61.2 million	\$46.2 million	\$21.2 million	46
Achieve a customer satisfaction rating in all leases of 82% with 86% or higher in newly leased space in FY 2002.	% of tenants that rate leased space and services as satisfactory or better	all 80% new 87%	82% 86%	82% 86%	48
CONSTRUCTION AND ACQUISITION					
Improve the percentage of construction projects completed on schedule from 60% in FY2001 to 65% in FY2002.	% of construction projects completed on schedule (weighted by cost)	59%	60%	65%	52
Reduce the cost escalation rate for new construction projects to 1% in FY 2001 and FY 2002.	Total cost of construction projects over \$10 million projects completed as a % of original appropriation	0.8%	1%	1%	54
Maintain a 90% customer satisfaction rating in newly constructed buildings.	% of satisfied customers	90%	90%	90%	55
REPAIRS AND ALTERATIONS					
Improve the percent of repair and alterations projects completed on schedule from 78% in FY2001 to 82% in FY2002.	% of total dollars of R & A projects over \$10 million completed on schedule.	69%	78%	82%	59
Maintain the cost escalation rate for repairs and alterations projects at 1%.	Total cost for R&A projects over \$10 million completed as a % of original appropriation	< 2%	1%	1%	62
PROPERTY DISPOSAL					
Improve annual cycle time to 335 days for property subject to the Property Act of 1949	Cycle time in days	N/A	335 days	327 days	64
Improve the dollar returned to dollar spent ratio from \$16:1 in FY2001 to \$17:1 in FY2002.	Ratio of dollar returned to dollar spent	16.1	16.1	17.1	65

GUIDE TO FEDERAL SUPPLY SERVICE PERFORMANCE MEASURES (page 1 of 2)

Performance Goals	Performance Measures	Baseline	FY 2001	FY 2002	See Page
<u>SUPPLY AND PROCUREMENT</u>					
Reducing costs while expanding supply and procurement support to Federal agencies, thereby reducing the cost per \$100 sales by over 6%.	Cost per \$100 sales.	\$3.51	\$2.37	\$2.22	73
Increase Federal agencies' use of GSA sources of supply by 7% over FY 2001 by providing additional products and services and by making it easier to access them.	Dollar volume of GSA supply and procurement programs.	\$9.4 Billion	\$16.1 Billion	\$17.6 Billion	75
Promote socioeconomic goals by maintaining the current proportion of Schedules contracts awarded to small businesses.	% of Schedule contracts awarded to small business.	77%	77%	77%	77
Increase customer satisfaction with supply and procurement programs.	% of responses in the "highly satisfied" category.	61%	72%	72%	79
Increase the number of products and services available to Federal customers via electronic systems and Internet connectivity	% of Schedule contracts accessible through GSA Advantage!	18%	95%	100%	81
<u>VEHICLE ACQUISITION AND LEASING</u>					
Achieve an average 20% savings over commercial "Black Book" prices on compact sedans.	% saved compared to "Black Book" price.	20%	20%	20%	85
Save taxpayers money by consolidating additional vehicles into GSA's fleet.	Savings through vehicle consolidation	\$6.4 million	\$3.7 million	\$1.8 million	86
Hold annual increases in the cost per mile for GSA Fleet operations at or below the weighted Industry inflation rate.	Increase in overall cost-per-mile.	0	3.1%	2.0%	88
Increase GSA's share of Federal fleet.	% of Federal fleet operated by GSA	43%	47%	48%	89
Meet or exceed customer expectations	% of respondents giving a "highly satisfied" rating.	74%	79%	79%	90
Fill 100% of requests for alternative fuel vehicles.	% of requests filled.	100%	100%	100%	92

GUIDE TO FEDERAL SUPPLY SERVICE PERFORMANCE MEASURES (page 2 of 2)

Performance Goals	Performance Measures	Baseline	FY 2001	FY 2002	See Page
<u>TRAVEL AND TRANSPORTATION</u>					
Achieve significant savings on Federal travel as compared with commercial prices.	Savings on government travel as a % of the total commercial value of the same travel.	68%	65%	65%	96
Reduce Government's transportation costs by recovering or avoiding excess charges through pre- and post-payment audits of freight and transportation charges.	Increase cost avoidance due to pre-payment audits.	\$2.6 million	\$5 million	\$7 million	98
	Maintain collections from post-payment audits.	\$15.7 million	\$13 million	\$13 million	98
Achieve significant savings of 45 – 52% compared to commercial rates for shipment of freight and household goods, and for small package express delivery services.	% savings from commercial rates:				
	Freight	45%	46%	46%	100
	Household Goods	47%	52%	52%	
	Small package express.	45%	45%	N/A	101
Increase customer satisfaction with FSS transportation programs.	% highly satisfied-:				
	Freight	67%	69%	69%	102
	Household Goods	88%	88%	88%	
	Small package express	59%	61%	61%	
Increase the percentage of audits performed electronically.	% of audits performed electronically	10%	50%	60%	104
<u>PERSONAL PROPERTY MANAGEMENT</u>					
Maximize cost avoidance through reutilization and donation of excess Federal personal property.	New expenditures avoided through reutilization and donations of excess personal property.	\$1.7 billion	\$1.6 billion	\$1.6 billion	106
Control costs while effectively performing utilization, donation and sales services.	Dollar volume of Utilization/Donation transfers per FTE	\$16.7 million	\$15.2 million	\$15.2 million	107
	Sales proceeds per FTE	\$1.3 million	\$0.6 million	\$0.7 million	107
Increase customer satisfaction with Personal Property Management services.	% of respondents who report being "highly satisfied."	63%	68%	68%	109

GUIDE TO FEDERAL TECHNOLOGY SERVICE PERFORMANCE MEASURES (page 1 of 2)

Performance Goals	Performance Measures	Baseline	FY 2001	FY 2002	See Page
IT SOLUTIONS & NETWORK SERVICES					
Assist Federal agencies in achieving significant savings by providing high quality products and services at competitive prices that the demand for IT Solutions increases our overall business volume thereby resulting in a larger share of the Federal market.	Total business volume as a % of the Federal IT market.	13.7%	15%	16%	130
Maintain an employee-centric environment where employees thrive.	Percentile of the average score on the FTS internal communications/employee satisfaction survey	68%	72%	72%	132
Be customer centric – reduce acquisition cycle times.	Average calendar days to award task and delivery orders over \$2,500	Quote to Award 12 Notice to Proceed 16	Quote to Award 10 Notice to Proceed 15	Quote to Award 9 Notice to Proceed 14	134
Achieve and maintain an appropriate level of full cost recovery to maximize service to Federal agencies and effect the greatest advantage to the Government.	Excess revenues.	\$69 million	0	0	136
Be customer centric - increase customer satisfaction with FTS representatives and products/services.	% of customers indicating satisfaction with FTS reps and programs, products, and services in annual FTS surveys	80%	77%	78%	138
Increase the number of industry partnerships by making available new sources that can provide state-of-the-art equipment and workplace environments to meet the needs of the mobile Federal worker.	Number of agency partnerships FTS Contracts Schedules Other GWACS	255 353 5 52	186 308 7 33	195 323 8 34	140

GUIDE TO FEDERAL TECHNOLOGY SERVICE PERFORMANCE MEASURES (page 2 of 2)

Performance Goals	Performance Measures	Baseline	FY 2001	FY2002	See Page
<u>IT SOLUTIONS & NETWORK SERVICES</u>					
Achieve and maintain an appropriate level of procurements with small business as a percent of prime contracts	% of procurements with small business as compared to total contracts	35%	26%	28%	142
<u>NETWORK SERVICES</u>					
Provide quality products and services at competitive prices and achieve significant savings for Federal agencies by reducing long distance prices.	Outbound switched voice rates	5.42 cents	3.51 cents	2.56 cents	145
Provide quality products and services at competitive prices and achieve significant savings for Federal agencies by reducing the average monthly line rate	Average monthly line rate	\$20	\$17	\$16	146

GUIDE TO OFFICE OF GOVERNMENTWIDE POLICY PERFORMANCE MEASURES (page 1 of 2)

Performance Goals	Performance Measures	Baseline	FY 2001	FY 2002	See Page
<u>GOVERNMENTWIDE POLICY INFRASTRUCTURE</u>					
Organize, lead and collaborate with Federal agencies through interagency working groups to implement Federal laws and Executive Orders and address Governmentwide issues.	Number of areas with OGP supported interagency committees	12 of 12	12 of 12	12 of 12	153
Maintain up-to-date policies and guidelines for those areas within OGP's responsibility.	% of planned regulatory changes completed.	20%	100%	100%	154
Ensure that all OGP employees have the necessary knowledge and skills to support the organization's mission	% of employees at basic level or higher in critical competency areas.	Basic Level	TBD	TBD	156
Identify and publish best practices for those areas within OGP's responsibility.	Number of initiatives that promote improved management	42	49	60	159
	Number of agencies participating in pilots or applying leading practices	161	237	350	
Develop and promote performance measurement systems for Governmentwide use.	Number of areas with performance measurement systems	1 of 12	12 of 12	12 of 12	162
	Number of Federal entities using performance measures	58	203	318	164
Encourage innovation and increase employee satisfaction with OGP-wide communications, cooperation, and information assets.	Employee satisfaction with the quality of work life in OGP.	TBD	TBD	TBD	167
Improve accessibility to shared databases and information on best practices and policies for Government, industry and the public's use.	Number of information systems accessible via the Internet.	7 of 9	9 of 9	9 of 9	168
Develop partnerships to share resources	Number of partners contributing resources to support OGP initiatives	60	78	93	169
	Dollars from outside OGP supporting OGP initiatives	\$3.2 mil	\$6.0 mil	\$8.8 mil	

GUIDE TO OFFICE OF GOVERNMENTWIDE POLICY PERFORMANCE MEASURES (page 2 of 2)

Performance Goals	Performance Measures	Baseline	FY 2001	FY 2002	See Page
GOVERNMENTWIDE POLICY INFRASTRUCTURE					
Improve customer satisfaction	Customer satisfaction with OGP's services	TBD	TBD	TBD	171
Establish policies, standards and best practices to help develop an interoperable, single face for Government electronic business transactions	Number of solutions and best practices Number of Governmentwide guidelines Number of interoperability standards Number of information sharing initiatives	4 3 4 N/A	5 5 5 7	5 5 5 7	173
Provide a centralized source of information on IT products that have been tested by users with disabilities pursuant to the accessibility standard mandated by Section 508 of the Workforce Investment Act.	Number of EI&T classes with acceptable protocols	N/A	3	12	175
Assist Federal agencies where the products, services and infrastructure have not been implemented to meet the needs of persons with disabilities for a barrier-free IT environment.	Number of projects that meet their goals.	3	8	8	177
GOVERNMENTWIDE IMPROVEMENT INITIATIVES					
Establish and maintain a core curriculum of classroom and Internet-based courses and increase the number of training instances.	New Internet courses developed Number of training instances. (A training instance is defined as one person completing one course session.)	N/A 849	4 20,000		181
Improve the professional skills of agencies' present and future IT leaders	Numbers of Federal IT professionals in IT leadership programs: <ul style="list-style-type: none"> Students enrolled in "1,000 by 2,000" Students completing Trail Boss seminars Participants at Trail Boss Roundup Participants at IRMCO Number of participants in STAR CIO University participants 	857 1,383 140 460 N/A N/A	1,000 N/A 100 350 60 100	1,100 N/A 100 375 170 170	183
Provide a "single point of entry" for industry to find opportunities to do business with the Federal government.	Number of agencies using Electronic Posting System	5	40	40	185
Provide a prototype Federal gateway to the Internet to make Government information more accessible to the public.	Number of links by WEBGOV to other sites.	1,000	2,000	10,000	186

GUIDE TO OTHER RESPONSIBILITY SEGMENTS/STAFF SUPPORT PERFORMANCE MEASURES (page 1 of 2)

Performance Goals	Performance Measures	Baseline	FY 2001	FY 2002	See Page
<u>OTHER RESPONSIBILITY SEGMENTS</u>					
Maintain/increase enrollment from Federal families of 50% of the total nationwide.	Number of children from Federal families as compared to the total.	50%	50%	50%	189
Achieve 100% accreditation of all eligible GSA child care centers.	Percent of eligible child care centers accredited.	70%	85%	100%	190
Increase the magnitude and quality of the outreach of Federal consumer information through the effective delivery of services to other Federal agencies, the print and broadcast media, and the public.	Publications distributed	6 million	6 million	6 million	191
	Accesses of CIC electronic products	8 million	10 million	12 million	
<u>STAFF SUPPORT OFFICES</u>					
CFO					
Increase the percentage of vendor payments by electronic media such as EFT and purchase credit card.	Percentage of invoices paid electronically.	62%	76%	80%	194
Increase the percentage of invoices received by Electronic Data Interchange (EDI) through the Internet.	Percentage of electronic invoices received.	12%	20%	25%	195
Increase the percentage of invoices collected through On-line Payment and Collection Ststem.	Percentage of invoices collected on-line.	82%	88%	89%	196
Review 5 % of FTE performing Commercial Activities (as identified by GSA FAIR Act Inventory) by September 30, 2002.	Review 5 % of FTE positions as identified in the FAIR Act Inventory for competition or direct conversion.			367	197
CIO					
Resolve all high-risk vulnerabilities and conditions detected by IT audits or reviews within 30 days of findings and recommendations.	Percent high risk audit action items completed successfully within the 30-day time standard.		100%	100%	198
Ensure GSA IT Capital Investment projects remain within 10% of the cost and schedule approved by the IT Investment Review Process.	Percentage of IT investment projects that are 1) within the planned cost and schedule requirements and 2) the percentage that exceeds the planned cost and schedule by more than 10%.		100% 0%	100% 0%	200

GUIDE TO OTHER RESPONSIBILITY SEGMENTS/STAFF SUPPORT PERFORMANCE MEASURES (page 2 of 2)

Performance Goals	Performance Measures	Baseline	FY 2001	FY 2002	See Page
Maintain 95% customer satisfaction rating in services provided.	Percentage customers rating service and support provided by CIO as highly effective.		85%	85%	202
CPO					
Increase customer satisfaction with filling vacancies.	Overall customer satisfaction rating with the recruitment process.		3.25	3.5	206
Improve cycle time for recruiting.	Average number of days from the receipt of request for personnel action to referral.		120	90	207
Increase use of online university as a cost-effective method to improve employee skills.	Increase usage of Online University.		15%	20%	208

GSA FY 2002 PERFORMANCE PLAN

I. INTRODUCTION

Congress created the General Services Administration (GSA) in 1949 through the Federal Property and Administrative Services Act to serve as a centralized procurement and property management agency for Federal civilian agencies; to provide—as cost effectively as possible—the space, supplies, and services Federal employees needed to do their jobs. When the agency celebrated its 25th anniversary in 1974, it had more than 38,000 employees and managed assets worth \$11 billion.

GSA turned 50 years old in 1999. Today, GSA programs and policy leadership act as a catalyst for more than \$50 billion—over one-fourth of the Federal Government's total procurement dollars. In its policy role, the agency influences the management of assets valued at nearly \$500 billion. This is roughly 6% of the U.S. Gross Domestic Product. GSA has exceeded its targets for reducing employment and is now a lean, focused agency with about 14,000 associates.

As it looks to a new century, GSA will focus increasingly on adding value through anticipating new, efficient and effective ways for the Federal workforce to achieve results. GSA will provide the Federal workforce with integrated solutions to their workplace needs, including tools to meet the challenges of a mobile workforce, simplified administrative processes through electronic commerce, and quality child care in Federal facilities.

II. OVERVIEW OF THE GSA MISSION AND STRATEGIC PLAN

GSA's mission reflects the personal commitment of the 14,000 associates who stand behind it:

We provide policy leadership and expertly managed space, products, services, and solutions, at the best value, to enable Federal employees to accomplish their missions.

In FY 2001, we add value through three GSA Services—the Public Buildings Service (PBS), Federal Supply Service (FSS) and Federal Technology Service (FTS). We provide policy leadership for all Federal agencies through the Office of Governmentwide Policy (OGP). The synergy achieved by having these three Services and OGP in the same agency makes us uniquely positioned to provide our customer agencies with integrated solutions to their workplace requirements.

The GSA Strategic Plan

GSA's *Strategic Plan*, issued September 30, 2000, outlines the agency's program for fulfilling its mission in the 21st Century. Achieving the five strategic goals as we accomplish the agency's mission will position GSA as an integral component in supporting the missions of the Federal workforce.

GSA's five strategic goals are simple: to promote responsible asset management, to compete effectively for the Federal Market, to excel at customer service, to meet Federal social and environmental objectives, and to anticipate future workforce needs. To achieve these goals requires a clear picture of what success looks like and how to measure it. Agency management is focused on defining that picture in a rapidly changing environment. The performance goals adopted by the Services and OGP create a

mosaic of activities across the agency which, taken together, form our vision of GSA as an efficient and effective, customer-centric, commercial-quality provider.

Goal 1: Promote Responsible Asset Management *GSA will conserve Government resources and the assets in its care and provide policies and best practices for Governmentwide asset management.*

To understand the value to the taxpayers of achieving this goal, it is important to recognize that GSA directly or indirectly influences the management of Federal assets worth more than \$500 billion. Our assets include approximately 8,000 Government-owned or leased buildings, an interagency fleet of over 177,000 vehicles and technology programs and products ranging from laptops to systems that cost over \$100 million. Therefore, GSA's first responsibility is to conserve and ensure the best use of these resources.

Responsible asset management means we must coordinate the development of management policies, identify and promulgate best practices in asset management from both the Government and the private sector, write procurement regulations, train procurement specialists, and develop guidelines for Federal employees. In our policymaking role, we help other agencies manage the funds, buildings, fleets, and other Government assets they control. GSA professionals find the best uses for excess and surplus real and personal property, avoiding over \$3.2 billion in Government purchases annually.

One of GSA's greatest assets is its experienced workforce. In this time of rapid and continuous change, GSA is investing in its human capital by providing employees with the skills and technology they need to perform effectively in a transformed environment. We also support our employees by providing the family-friendly services they need to be most productive in their work, e.g., on-site child care and telework options.

Goal 2: Compete Effectively for the Federal Market *GSA will be the preferred provider of space, products, services, technology, and telecommunications for all Federal agencies by efficiently and economically delivering consistently high quality and best value.*

GSA is no longer the mandatory source for many products or services. We compete for the business of Federal agencies by proving we are better than any other supplier be it another Federal agency or a private company. This means we must offer variety, choice, and a range of purchasing vehicles and payment methods. We must do the research, evaluate the products and services offered, negotiate the best deals, streamline acquisition processes, and present "best value" options to our customers so that they can make informed procurement decisions.

While GSA has always shopped for "best value," in the past, its ability to achieve top quality and low prices depended largely on its mandatory status and the vast market it could deliver. Now GSA must, at a minimum, satisfy its customers and expand its customer base in order to continue to leverage the buying power of the Federal Government and thereby attain "best value."

GSA will continue to operate within the framework of the Federal Government's economic and social objectives as expressed in legislation and Executive orders. GSA is committed to contracting with small, small disadvantaged, small women-owned and small business concerns; with agencies representing people with disabilities; and with Federal Prison Industries.

Goal 3: Excel at Customer Service *GSA will thrill its customers and agency partners by developing and delivering creative solutions to meet their needs for space, products, and services; technology and telecommunications; and policy guidance.*

In addition to setting a broad goal to compete effectively for the Federal market, GSA recognizes the need to excel at customer service and deliver it to our customer agencies at a level equivalent to the best the private sector has to offer. We realize that we cannot achieve our goals of promoting responsible asset management and competing effectively for the Federal market without closely monitoring our customers' views.

GSA is reaching out through new programs that create partnerships and that encourage conversation with our customers. Our national account representatives for real estate, and customer service directors for products and services, form a worldwide network ready to meet our customer's needs. We continuously measure customer satisfaction and adjust our methods to meet customer expectations wherever we uncover deficiencies.

Goal 4: Meet Federal Social and Environmental Objectives *Fulfill the intent of socioeconomic laws and Executive Orders and help our customers to do so as well. Safeguard the environment and conserve energy. Help the disabled and the disadvantaged to become more productive. Consider the environment in our business decisions and use natural resources in a sustainable manner.*

GSA has continued to reach out to the small business community and to minority and women-owned businesses to assist their participation in Government contracting, thereby facilitating Federal agencies' use of small businesses and promoting the Administration's socioeconomic goals. GSA Schedules make it easier for Federal agencies to use small business vendors for many types of supplies and services. Agencies are concerned with meeting their goals of contracts awarded to small businesses. Starting in FY 1999 agencies could get credit for using small business schedule contractors in meeting their agency small business goals. Their use of small business schedule contracts has increased from \$3.2 Billion in FY99 to \$ 4.5 Billion in FY 2000.

Responding to environmental goals, since 1991, GSA has purchased over 36,000 Alternative Fuel Vehicles (AFVs) for the Federal fleet, nearly 30,000 of which were acquired for GSA Fleet customers. Many makes and models of AFVs are offered, as GSA helps customers comply with alternative fuel mandates. One of the important objectives of this environmental mandate is for the Federal Government to stimulate the market for AFVs and fuel-efficient vehicles by offering environmentally friendly alternatives to vehicles that use fossil fuels and foreign energy sources. By offering AFVs and fuel-efficient vehicles to purchase or lease, GSA has been instrumental in furthering this objective and assisting our customers in meeting the environmental goals.

Goal 5: Anticipate Future Workforce Needs *GSA will design, develop and model future Federal work environments with state-of-the-art technology, innovation and best practices in use of space, furniture, equipment, telecommunications, contracts, and other tools.*

Not only is information technology changing how everyone does business, but such concepts as teaming and teleworking are altering traditional ideas about the workplace. Companies and government agencies alike are economizing on office space and buying products and services differently. By anticipating future workforce needs and researching alternative solutions, GSA will help guide informed decision-making.

Driven by our customers' changing needs, we will provide them with sophisticated solutions. Working with other Federal agencies and the private sector, we will identify workforce trends, test their applicability in the Federal arena, and work to ensure that Federal employees Governmentwide share in their benefits.

GSA will develop policies and practices to facilitate the integration of new capabilities that increase the efficiency and effectiveness of the Federal workforce. For example, GSA is pioneering the use of emerging smart card technologies for building and computer access, financial transactions, and data storage. We are also supporting interagency efforts to develop and implement a nationwide electronic benefits system.

III. GOVERNMENTWIDE REFORM

In his memorandum to all Departments and Agencies dated February 15, 2001, the Director of OMB set forth a number of requirements for the FY 2002 Performance Plans of the Executive Branch. Among these was the requirement to address the five Governmentwide Reforms designed to improve the functioning of government and to achieve efficiencies in its operations. These include: 1) Delaying management levels to streamline organizations; 2) Reducing erroneous payments to beneficiaries and other recipients of government funds; 3) Making greater use of performance based contracts; 4) Expanding the application of on-line procurement and other E-Government services and information; and 5) Expanding A-76 competitions and more accurate FAIR Act inventories. We will address each of the reforms below:

Delaying Management Levels To Streamline Organizations

At present, GSA is awaiting guidance from OMB to commence the identification of layers to be eliminated. Proper procedures must be followed for this initiative inasmuch as it will involve displacement of employees and possible labor relations repercussions.

Reducing Erroneous Payments To Beneficiaries And Other Recipients Of Government Funds

The vast majority of GSA's payments are to vendors, not beneficiaries. We intend to provide performance goals for eliminating erroneous payments to vendors in next year's performance plan.

Making Greater Use Of Performance Based Contracts

To make greater use of Performance-Based Contracts, GSA is incorporating additional policy into the Federal Acquisition Regulation, which will explicitly establish a preference for performance-based contracts or task orders. This policy will be implemented in the GSA Manual. We are partnering with other Federal agencies to develop a Governmentwide Performance Based Service Ordering Guide to assist acquisition professionals in properly preparing these contracts.

The Federal Procurement Data System has adopted a line item for reporting on all performance based service contracts for all individual contract actions for each agency.

The Federal Acquisition Institute conducts lunchtime learning sessions to provide information. This office is also hosting the Acquisition 2001 conference with a workshop devoted specifically to this subject to ensure acquisition professionals are informed.

We will be taking future steps to improve the use of Performance Based Contracts and to meet the President's initiative of converting 50% all federal service contracts to performance based contracts:

Developing sample Performance Based Statements of Work templates to disseminate to acquisition professionals to assist them in developing these contracts.

Conduct additional training sessions and workshops for acquisition professionals.

Inform acquisition professionals of available training sources and tools.

Note: GSA has not set up formal short-term performance goals for performance based contracts at this time. We will be formulating such goals during FY 2001. These will likely involve the measures and data sources below. Of course the President's goal of using performance based contracts for 50% of requirements is the overall goal.

Measures

% of total eligible service contracting dollars obligated for PBSC.

% of total eligible service contract actions for PBSC.

% of contract files randomly reviewed that properly include the elements of PBSC.

DataSource

Federal Procurement Data System.

Contract files

Expanding the application of on-line procurement and other E-Government services and information

The agency is expanding its role to implement electronic government. Expanding e-procurement will reduce transaction costs and foster greater competition. Expanding citizen access to the government through the Internet will encourage a citizen-centric government, where citizens can readily access the information and services they need and agencies can conduct transactions with the public through secure web-enabled systems that use portals to link common applications and protect privacy. Citizens will be able to go online and interact with their Federal government—and with their State and local governments that provide similar information and services—around citizen preferences and not agency boundaries.

There are many on-line procurement and other E-Government initiatives underway, many already showing measureable results. Initiatives include the following.

FirstGov. Designed to be a single point of access for the U.S. Government, the FirstGov website consolidates and simplifies connections to agencies, records, services and informational releases. In addition, the program is being coordinated with State and local governments to create linkages to their websites. By consolidating access through one E-Portal, FirstGov will provide a comprehensive resource to those gathering information from government agencies. FirstGov currently accesses more than 30 million Federal web pages, and links to all 50 states.

Acquisition Reform Network (ARNet). Web site serves as the central location for acquisition best practices, policy information, regulations, and operational tools for the federal acquisition community, both public and private.

Federal Business Opportunities (FedBizOpps). Provides a convenient, universal Internet access for Government buyers to use in posting detailed information about acquisitions on the Internet. It has been proposed as the Governmentwide point of entry for all requirements greater than \$25K. This initiative along with ARNet is discussed under the OGP performance goal to provide a “single point of entry” to vendors wishing to do business with the Federal government.

GSA Advantage!™. GSA Advantage!™ is a market research and commodity ordering system, which is available to all federal agencies. The system accepts the purchase card for payment. For more information, see the performance goal to “Increase the number of services and products available to Federal consumers via electronic systems and connectivity. This is located in the FSS section of this plan.

Information Technology - Solutions Shop (ITSS). A web based task order system designed to facilitate placement of orders under contracts which are part of the IT Solutions business line. IT Solutions is covered in the FTS section of this plan.

FedSales.gov. A website designed to improve electronic access to Federal asset sales (real property, personal property, and financial assets such as loans). The goal is to move the sale of federal assets on-line. Real and Personal Property Disposal are discussed in the PBS and FSS sections of this plan.

Electronic Grants Pilot. Twelve federal agencies have recently joined together under GSA leadership to promote and build a coordinated approach to grants management for federal agencies and customers.

Expanding A-76 competitions and more accurate FAIR Act inventories.

The Federal Activities Inventory Reform Act (FAIR Act) requires annual compilations of agencies' Commercial Activities and review of this information by the agencies' top official. OMB has directed all agencies to complete competitions or direct conversions of at least five percent of their FTE performing Commercial Activities (as identified on agencies' FAIR Act inventories) by September 30, 2002. The President has made a commitment to compete with the private sector at least one-half of those FTE on the FAIR Act inventories. The competitions or direct conversions must be conducted in accordance with OMB Circular A-76 Handbook). GSA's 2000 FAIR Act Inventory contained 7,338 FTE, which translates to a requirement for competition or direct conversion of 367 FTE by September 30, 2002.

GSA has met the requirements of the FAIR Act. As of May 2001, we are still in the process of scheduling Commercial Activities on its FAIR Act Inventory for competitions or direct conversions. GSA is also currently compiling its 2001 FAIR Act Inventory.

Requirements

OMB has required each agency to address the following:

Number of FTEs to be competed, identified by Function and location. – *See performance goal on following pages.*

Training requirements. – *See performance goal on following pages.*

Contract support requirements. – *Currently, GSA plans to contract for sufficient services to guide GSA personnel through all initial training, competitions, or direct conversions through September 30, 2002. GSA personnel will also actively participate at some level in every phase of the training, competitions, or direct conversions during this period. However, contractor support would be sufficient to provide technical knowledge or other support is necessary to meet the Administration's goals. It is not known at this time what the cost would be for contractor support of a competition or direct conversion. Much would depend upon the number, scope, location and complexity of the Functions being competed or direct converted.*

Approach

GSA will utilize agency staff supplemented by contractor support as appropriate, for training and support of competitions or direct conversions.

GSA will work with other agencies and industry to identify and apply best practices. GSA will identify the best opportunities by examining the entire agency, from multiple perspectives. Specifically, GSA considers the Inventory, which is a representation of the way GSA is currently organized, to be a starting point. GSA will also look at crosscutting techniques to package Functions and FTEs to be competed. Such techniques would look within GSA and across the Government. Possible examples could include:

- Administrative support, to include all secretarial and related functions
- Buildings maintenance
- Post-Seat Management residual ADP support
- Graphics support
- Payroll/Personnel processing
- Entire business lines, regardless of component Functions
- Entire regional operations, regardless of business lines

IV. Data Validation and Verification

Data Validation and Verification is a subject that GSA takes quite seriously. The need to demonstrate that performance measures are backed up with accurate, reliable data is vital not only to GPRA plans and reports and financial statements, but equally importantly to support management decisions on a day-to-day basis.

GSA uses a broad range of performance goals. Accordingly, the data and the means to validate and verify the measures is similarly diverse. This discussion will address general themes only. The specific explanations for validation and verification for individual measures is shown in the discussion of individual performance goals.

Annual Report

The GSA Annual Report for FY 2000 also known as the "Accountability Report" or the "Financial Report" was issued on February 14, 2001. In accordance with the Reports Consolidation Act and other requirements, this report uses essentially the same performance measures as are used in the GPRA Performance Plan and the GPRA Annual Performance Report.

The Acting GSA Administrator made the following statement with regard to the completeness and reliability of the financial and performance data used in the Annual Report:

The financial data used in the report are complete and reliable. I base this assessment on the unbroken series of 13 unqualified opinions GSA has received on its financial statements . . .

The performance data used in this report are generally complete and reliable. However, in conformance with recommendations made by the Office of the Inspector General, improvements are underway to increase our confidence in the data. Briefly, we are taking the following actions:

We are reviewing the procedures used to collect performance data and the basis on which an assertion of validity can be made at the program activity level. In some cases this review may lead to an enhancement of the written documentation for the procedures or systems being used. Similarly, there must be current, clear designations of responsibility for data collection and review.

One of the areas identified as non-material weaknesses by the Independent Accountants involved the STAR system in the Public Buildings Service. STAR is a source of both financial and performance data. Improvements to the STAR system will have a favorable impact on the completeness and reliability of both financial and performance data.

Controls and Procedures

GSA's performance measurement data can be divided into five types. The controls and procedures used to validate and verify each type is briefly discussed.

Financial data. As stated above, GSA has a high degree of confidence in our financial data, Normal audit and other financial controls maintain the integrity of these data elements.

Data from Large Computer Systems. GSA has undertaken an extensive process of systems certification to ensure that our computer systems operate as intended. Data quality is also maintained through ongoing training. Finally, made of the problems with the STAR system and other large computer systems have related to the conversion of old databases "as is." As these databases are cleaned up, the errors from this source are being eliminated.

Data from Manual or Small Computer Systems. For these systems we stress confirmation so that more than one person is responsible for data. Written policy and procedures are very important in this area.

Benchmark Data from External Sources. Where there is a close correspondence between a GSA activity and a private sector counterpart, we use external data as a benchmark. When we do this we strive to find highly reputable sources of data that are recognized as an industry standard.

Data Obtained under Contract. GSA often contracts with outside polling firms, such as the Gallup Organization, to develop customer satisfaction or other survey data. Use of an outside contractor can make customers more eager to participate and add credibility to the results. In using such data, we always deal with reputable firms that are leaders in the industry. Our contract provisions require that sound practices be followed and we follow-up to make sure we can have confidence in the results. All of these firms have their own validation and verification procedures.

V. GSA MANAGEMENT CHALLENGES

GSA is evolving from an operations-based organization that *performs* services for Federal agencies to a procurement and contract management organization that *provides* goods and services for its Federal customers. While this evolution has been underway for several years, the changes continue to present management challenges that call into question how GSA will best serve its customers and stakeholders in the future.

Among the most pressing internal issues are those of employee skills, and the use of technology and financial management. Externally, GSA is facing an increasingly competitive marketplace, an uncertain international economy, and Administration social initiatives that can impact our resources. GSA management is already taking steps to meet these challenges. (The Services also address challenges that pertain mainly to their organizations later in this plan.)

The GSA Inspector General in concert with the General Accounting Office and the Senate Government Affairs Committees has named a number of areas, "Major Management Challenges." The Inspectors General of the other major Federal departments and agencies have also named challenges for their respective organizations. Recently this responsibility was enacted into law as one of the provisions of the Reports Consolidation Act of 2000.

Issue

Multiple management controls have been replaced through reinvention initiatives by fewer and broader controls, making it essential that the remaining controls be emphasized and consistently followed.

GSA management agrees that this is a serious issue. It has become particularly important as GSA goes further and further into the world of e-commerce. New ways of buying and selling will require new methods to ensure strong management control. Within GSA these efforts are centered around the Management Control and Oversight Council (MCOC), which provides overall policy and direction.

Also very important to management control are the efforts to train and inform both our customers and employees. We have created such tools as the Multiple Award Schedules Owners' Manual to help ensure that controls are followed.

We are also improving our data quality, which will keep our data collection and reporting activities under control. This includes both cleaning up old data residing in computer systems, and enforcing documentation requirements so that managers can provide assurance that data is credible.

Information Technology Solutions. Note: This challenge relates to GSA's internal use of IT, not the external role of the Federal Technology Service.

Issue

The application of Information Technology (IT) has become increasingly prevalent within the Government, GSA's challenges have grown exponentially.

The Clinger–Cohen Act requires that GSA's IT investments remain with 10% of the planned cost and schedule. Among other actions, we are identifying and tracking the number of IT investments that are approved and review through the IT Capital Planning and Investment Process. Capital Planning is a systematic approach to managing the risks and returns of IT investments for a given mission. It is an integrated management process which provides for the continuous selection, control, life-cycle management and evaluation of IT investments and is focused on achieving a desired business out come. Investments will be required to have a complete project plan, cost benefit analysis and risk management plan.

Two overall objectives if GSA's capital planning process are to align proposed system investments with strategic and tactical goals and to measure performance and net benefit for dollors invested.

GSA has had several audits and reviews conducted by Price Waterhouse Coopers and the Office of the Inspector General that have identified IT Security vulnerabilities and weaknesses. Some of the findings have been repeated as a result of slow action within the agency to complete work to correct the issues identified.

Given the present trends and new ways of doing business that IT has made possible, it is unlikely that the importance of informatioinsecurity will cease to grow in the next decade. Indeed, the challenge of information security is so complex and far reaching that there can be no practical possibility of "solving it oncce and for all." Technology constantly changes. Business processes evolve. Management controls are dynamic. In such an environment, security is ultimately ythe responsibility of GSA's people. And that translates into a long-term mandate for GSA to implement a program that addresses the challenge in all its dimensions.

We are taking a much more aggressive approach to resolving findings and recommendations. The objective is to have a much more secure IT environment across GSA. This will make us better able to protect our system, data and information assets.

In the Staff Office section of this plan there are a number of poerformance goals that relate to this challenge.

Procurement Activities

Issue

In GSA's Multiple Award Schedules Program (MAS) and similar procurement programs, the vendors may not be providing assurance of price reasonableness and assurances that their pricing practices have not changed since contract negotiation.

For many decades the MAS has provided a vehicle for the acquisition of commercial products and services. In the last few years many changes have been made as the program has adopted more commercial practices. Of course, these changes have been made to add value to the Government and thereby making the taxpayer's dollar go farther. We attempt to eliminate all waste, fraud and abuse.

The changes to the schedules program have moved the Government closer to real-time commercial buying practices and by doing so have significantly reduced acquisition time. The concepts of the Inspector General may, in fact, not be compatible with these improvements. We would welcome, of course, any specific identification of pricing problems that might endanger government resources.

Our customer base has evolved from a relatively small group of procurement or supply professionals to a broad base of Government employees. The new customer base includes thousands of consumers from charge card holders to program managers. This represents a significant challenge in educating customers about the advantages and use of FSS' programs. Customer education is critical to our success.

Under the Clinger-Cohen Act, all contracting personnel hired in the future must be college graduates or have 24 hours of business related courses at the college level. In addition, the rapid growth of electronic commerce and the rate of change make it important to recruit people in line with such advances. The procurement workforce must be prepared to not only address the needs of the MAS program, but to do so in the context of a dynamic environment.

Human Capital

Issue

As a result of downsizing and restructuring, major program streamline, and attrition and buyouts, much of GSA's corporate knowledge has been lost or displaced. Many employees have been transferred or promoted into procurement or contract management positions of responsibility without adequate training and/or experience and have limited job knowledge.

The GSA Inspector General has identified the demographics of GSA's workforce as a management challenge. This has been well known throughout GSA for a number of years. For the last several years, GSA's Human Resources community and GSA's managers have been working to deploy solutions to this problem. First, GSA formed a Worldclass Workforce Team (WCW) to review how we can meet changing skill needs within the agency. This has led to increased emphasis on hiring recent college graduates and a focus on improving the skills of current employees. In addition, the WCW team has held a series of meetings with managers to share best practices in the areas of recruiting, energizing employees and developing leaders.

Second, GSA's services have developed a variety of programs to address the impending increase in employee turnover due to retirements. These programs include adopting Gallup Corporation's Q-12 survey of employee engagement, contracting with OPM to develop a succession plan for PBS leadership, and hiring a private vendor to deploy additional training to managers in FTS. There are a great array of initiatives at the corporate, service and regional levels to deal with the challenges of GSA's aging workforce and its impact on meeting the business objectives of the agency.

GSA has for two years in a row ranked in the top three federal agencies for reported job satisfaction in the OPM "Merit Principles" survey of federal employees. The steps that GSA is taking have made GSA a very attractive employer to employees in other federal agencies and the private sector.

Aging Federal Buildings

Issue

GSA is being challenged to provide quality space to Federal agencies with an aging deteriorating inventory of buildings and critical budgetary limitations in a competitive environment.

GSA has set performance goals in this area which relate to the delivery of Repair and Alteration and New Construction projects. We will use the resources provided by the taxpayer through the President and Congress in an efficient and effective manner. Although certainly more old buildings could be rebuilt or replaced, GSA must compete with critical national priorities for additional resources.

The GSA budget for FY 2002 proposes \$663 million for new construction projects and another \$827 million for repair and alteration projects. Among the construction projects are twelve Federal Judiciary projects for \$217 million, six Border Station projects at \$17 million and \$9 million for a Food and Drug Administration project.

More than half of our government owned buildings are over fifty years old and nearly a quarter bear historic designation. GAO noted in its most recent report that \$4 billion is needed to ensure acceptable quality, health, and safety standards. GSA's first capital priority is repairs and alterations to our aging buildings.

Our annual repair and alteration program is approximately 2.5% of the inventory's replacement value, which falls in the range (2-4%) of private sector practice. We are currently conducting a study to better determine the appropriate level of funding for the repair and alteration program. An annual repair and alteration program at approximately \$900 million to \$1 billion equates to 3% of the inventory's replacement value, which is \$32-33 billion. We are reinvesting in our inventory at the low-end of the industry standard—yet our inventory is significantly older than the industry average. “Aging Buildings” will continue to be a challenge until a way is found to increase reinvestment.

Protection of Federal Facilities and Personnel

Issue

Recent studies have identified the need for additional security personnel and the purchase, installation and operation of new security equipment.

GSA is in the process of improving the security enhancement effort. One of these improvements is a new performance measure of protection activity through assessment of the threat to designated buildings. The performance measure, referred to as the Regional Threat Assessment (RTA) is included in this Performance Plan.

The heart of the RTA is an examination of Motive, Opportunity and Means that GSA-controlled workplaces may provide threat groups or individuals. The “threat” ranges from the most catastrophic but least probable—terrorism—to the most probable but least catastrophic—larcenies. At the center of this continuum, falls workplace violence.

The RTA will clarify resource allocation by providing a clear focus on the intended outcome of the physical security program—threat reduction. As such it will demonstrate whether levels of personnel are adequate and where adjustments should be made.

Technological Capacity

Technology will drive the speed and capacity of Federal decision-making; GSA needs to understand and provide good data and new guidance for both its employees and customers.

GSA is well on its way to replacing its major legacy systems with modern information technology. A major impetus to this progress has been the creation of the GSA Chief Information Officer (CIO).

By establishing a strong CIO, we have addressed the need to control costs and time frames and develop agency-wide architecture. The CIO is responsible for applying state-of-the-art information technology to achieve GSA's business goals and to support its programs. The CIO works with the Agency's top leadership through the Business Technology Council. This group serves as a guide for GSA's information technology capital planning and investment process. A critical part of that process is the periodic review of projects to make sure they are on track.

GSA is leading the Federal Government in the development and implementation of smart card technologies as part of our electronic commerce efforts. GSA also launched a new SmartPay card payment system in FY 1999. Five charge card vendors each offer Federal agencies the capacity to use one card for a variety of services including travel, purchase and automotive services.

GSA will continue to increase its technology services through both FSS schedules and FTS innovative programs. One example is SIS (share-in-savings). The SIS program allows agencies to pay for process improvements out of savings rather than through up-front payments.

Financial Management

One of the greatest management challenges facing Federal managers today is obtaining timely, accurate and useful financial information. GSA is well on its way to replacing its decades-old accounting system, NEAR, with a modern financial management system, Pegasys. This system is based on a Commercial-off-the-Shelf (COTS) application that has been successful in other agencies and is being tailored to GSA's specific needs. When fully implemented, Pegasys will provide enhanced capability to produce management information such as activity-based costing, which has not been easily available within GSA. At the same time, under Pegasys, many processing functions will be performed at the desktop.

Competitive Marketplace

As GSA moves toward a non-mandatory status in all of its Services, the challenge of understanding our marketplace, evaluating our customers' needs and thrilling our customers with good service become the primary drivers in our business lines.

The agency benchmarks against standard private-sector measures to ensure that we meet industry standards in each business line. These include International Facilities Management Association (IFMA) customer satisfaction surveys to determine tenant satisfaction, cost-per-\$100 purchases, and cost-per-minute long-distance charges and monthly line rates for local telephone service

The GSA Marketing Council, formed in FY 1997, is introducing systematic research to identify customer requirements, competition both inside and outside the Government, and pricing that can impact GSA delivery. The Council will also establish GSA's share of market and value-added components in each business line.

Measuring and analyzing the impact of these elements becomes increasingly important as GSA faces growing competition from other Federal agencies with "shadow GSAs." These organizations were originally intended to serve the administrative needs of their home Department or agency. Unfortunately, in some cases, they have added requirements or restrictions on top of GSA rules, resulting in an unfair burden on the ultimate customer. In other cases, these "shadow GSAs" are actively marketing their excess capacity to other Departments or agencies which amounts to taking the place of GSA.

Changing International Economy

The GSA Strategic Plan assumes a stable economic environment with minimal inflation. The volatile conditions in the international marketplace could affect GSA in 2002 by causing changes in the real estate market, increases in the costs of goods and services, and a significant drop in demand for real and personal property disposals. The Chief Financial Officer's staff will monitor economic shifts.

VI. PERFORMANCE HIGHLIGHTS BY GSA SERVICE/OFFICE

Each of GSA's major components is vital to achieving our overall corporate vision. Here are some highlights:

Public Buildings Service (PBS)

PBS controls 40% of the Federal Government's office space and houses approximately 1 million Federal employees of more than 100 Federal agencies. PBS manages space in approximately 8,000 properties: 1,700 are Government-owned and the remainder are leased from the private sector. More than 400 of the Government-owned properties have some historic significance. In FY 2002, 93% of PBS expenditures of more than \$7.8 billion are expected to flow to the private sector through contracts for design, construction, cleaning, maintenance, utilities, repairs, security, and other services.

PBS generates revenue from the rent it collects from the agencies it houses. These revenues, deposited in the Federal Buildings Fund (FBF), are used to pay the expenses of operating PBS buildings, reimbursing lessors, and managing our business. The balances are available for reinvestment in

maintaining and modernizing our assets and for new capital investment such as new construction and acquisition.

The PBS vision is to be recognized as the *best* public real estate organization in the world. Achieving this vision requires a number of changes in the way PBS does business. In particular, PBS management is committed to making internal improvements, changing external perceptions, and recapturing market share.

PBS operations are financed through the Federal Buildings Fund. The PBS-proposed budget for FY 2002 totals \$6.4 billion in new obligational authority, the majority of which is funded by rent revenues from customer agencies.

Federal Supply Service (FSS)

FSS leverages the purchasing power of the Federal Government to provide Federal agencies with choice and value in commercial products and services worth over \$24 billion per year. FSS provides these goods and services through five business lines: Supply, Procurement, Vehicle Acquisition and Leasing, Travel and Transportation, and Personal Property Management. Note that Supply and Procurement, formerly one business line, are transitioning to two lines during the summer of calendar 2001.

In each business line, FSS focuses on minimizing costs while maintaining high quality. Taxpayers save \$2.3 billion a year in discounts provided through FSS-negotiated contracts for airline tickets, shipping and freight services, and \$3.2 billion a year through the responsible management of the Government's personal property assets.

The business of FSS is entirely dependent on customer revenues. With few exceptions, its services are non-mandatory, so FSS must compete for customer loyalty. Just as in the private sector, customers must be satisfied or they will seek other alternatives.

FSS operations are financed largely through the General Supply Fund, a full cost -recovery revolving fund. The FSS budget for FY 2002 is \$3.6 billion, with an FTE level of 3,049.

Federal Technology Service (FTS)

FTS delivers reimbursable local and long-distance telecommunications, information technology and information security services to Federal agencies and other authorized entities through two business lines: Network Services and Information Technology (IT) Solutions. FTS revenues have more than doubled since 1995 and are expected to reach \$6.1 billion in FY 2002.

FTS telecommunications will complete the transition to being a fully non-mandatory service with the introduction of FTS2001, the long-distance contract(s) that will provide state-of-the-art, integrated voice, data, and video telecommunications for Federal users worldwide. FTS intends to offer both long-distance and local services at the lowest aggregate prices available, to achieve maximum savings for the taxpayer..

IT Solutions offers a full array of IT services to meet the needs of Federal agencies. It is a focal point for the management and introduction of new technologies and provides arms-length objectivity and independence to customers. IT Solutions leverages its acquisition experience across government. It has a proven record of accomplishments in small-to-complex IT acquisitions and tailors its services to meet the needs of its customers. IT Solutions business continues to grow with repeat and new Federal customers.

FTS operations are financed through the Information Technology Fund, a full cost-recovery revolving fund. The FTS budget request for FY 2002 totals \$6.3 billion (obligation authority), with an FTE level of 1,472.

Office of Governmentwide Policy (OGP)

OGP provides guidance, information, and coordination to make Governmentwide administrative processes more efficient by collaborating with other Federal agencies. OGP develops policies and identifies and disseminates best practices in information technology, real and personal property management, travel and transportation policy, electronic commerce, and acquisition. As a result of its work in the area of best practices, OGP is also developing and promoting performance measurement systems for Governmentwide use and better access to information about these best practices. OGP is becoming a leader in this area and its leadership often extends beyond the Federal arena to State, local, and foreign governments.

OGP organizes collaborative groups of Federal agencies to address Governmentwide improvement initiatives. Among the most significant are improving the skill levels of both acquisition professionals and IT leaders, and making Government information more accessible through the Internet. OGP is also involved in making electronic commerce more secure.

OGP is financed under Policy and Operations in GSA's budget. For FY 2002, its budget authority is \$56.4 million; FTE is estimated at 257.

Other Offices

The following activities have responsibility for performance goals but are not components of the Services or OGP.

Child Care

Child Care is an important concern to GSA both as an extension of our property management responsibilities and as a critical improvement to the work environment. The Office of Child Care Initiatives provides policy leadership, guidance, oversight and information on quality child care in Federal facilities.

Consumer Information

The Consumer Information Center helps over 40 Federal agencies deliver Federal consumer information to the American public. Traditionally this meant requesting printed publications by mail from the Government Printing Office in Pueblo Colorado. Today information is increasingly requested through the Internet and delivered electronically.

Staff Support Offices

For the first time we are including the major staff offices in the performance plan. Included are the Office of the Chief Financial Officer, the Office of the Chief Information Officer, and the Office of the Chief People Officer in recognition of their crucial contribution to the overall attainment of GSA initiatives

VII. PUBLIC BUILDINGS SERVICE

The Public Buildings Service (PBS) is the largest commercial-style real estate organization in the nation. We provide workspace for a million Federal employees nationwide, and real estate and related services to more than 100 Federal organizations. We construct, lease, manage, maintain, and protect office buildings, Federal courthouses, border stations, laboratories, data processing centers, warehouses, and child care centers. We also sell and dispose of surplus government properties. Our inventory includes space in approximately 8,000 properties: more than 1,700 Government-owned and the remainder leased from the private sector. More than 400 of the Government-owned properties have some historic significance requiring our special expertise in historic preservation and property management.

We oversee 40 percent of all Federal office space – more than 230 million rentable square feet. We provide centralized management and procurement services, and most importantly, quality work environments for federal employees. If special purpose space is included, our total inventory available for federal use is more than 330 million square feet.

PBS generates revenue primarily by renting our space to other agencies at rates that are fully competitive with the private sector. We deposit this revenue in the Federal Buildings Fund (FBF) and use it to pay operating expenses and fund capital investment. We benchmark our expenses to the private sector in a number of areas - primarily those expenses in our building operations and leasing programs. The remainder is available for carefully planned reinvestment to maintain and modernize our assets, make interest payments, retire debt, and capital acquisitions primarily through new construction.

In FY 2002, we expect that 93 percent of our almost \$7.8 billion in expenditures will be purchased from private sector markets for building design and construction, cleaning, maintenance, utilities, repairs, security, and other services. Many of these contracts are placed with small business providers in accordance with legislative mandates and our agency's emphasis on partnering with the small business community. Much of our cleaning services, for example, are performed by severely handicapped workers under programs established by the Javits-Wagner-O'Day Act. Many of the food service areas in GSA owned buildings are managed by blind providers under programs established under the Randolph-Sheppard Act. We vigorously pursue a host of contracting goals for small, disadvantaged, and women-owned businesses.

Our vision is to be recognized as the *best* public real estate organization in the world. To that end, we continue our work in key areas of opportunity.

PBS Operational Strategy for Meeting Performance Measure Objectives: PBS made significant changes over the decade of the 1990s, and has continued that trend into the 21st century. We continue to give our regional offices flexibility to optimize service quality to our tenants, and cost savings to the taxpayer. Our performance measures are continuously adjusted and refined as we learn more about our customers' needs, and as better comparative data becomes available. We are working with organizations that collect and analyze private sector data to improve our measures' quality and to utilize those comparisons to direct change in our business.

Linking Budget to Performance is a nationwide initiative implemented in 1998 that has significantly changed the culture and dramatically improved the performance of PBS. Under this program, PBS puts special focus on a limited number of measures. The measures selected for special focus are both critical business measures and measures where significant performance improvement is needed. We establish targets and goals for each of these measures and provide incentives to our regional offices to meet these targets by allocating a portion of our annual budget to them based on performance.

We have found the competition to meet or exceed performance goals drives our employees to think more creatively and try innovative ideas to improve performance. In FY 2002, \$75 million is set aside for allocation based on performance. We have found our regions invest this "performance" money in several different ways. First, the money is invested in our buildings in a manner that helps improve future

performance. Our regions use this money to make vacant space ready for occupancy, improve customer satisfaction, and take other actions to improve future performance. Second, the money is spent as an investment in equipment, training and other items that help our employees improve their knowledge, professionalism, and efficiency. The remaining money is used to fund employee and group awards as an incentive for future improvements. Our emphasis on results and managing to the bottom line is making a major impact on the performance of PBS. Not surprisingly, every region has demonstrated improved results since the program began.

Furthermore, the “Good Practices” component of this program leverages the tremendous knowledge and expertise possessed by our nearly 7,400 employees. For each measure, the practices we find that contribute to excellent performance, are disseminated within PBS. This sharing of experience across geographic regions and business lines has a major impact on our organizational culture and helps to spur improved performance. Many of the detailed strategies identified under each measure in this plan originated as “good practices”.

Linking Budget to Performance has enabled PBS to simultaneously address several important challenges including tighter operating budgets and the need to comply with the Government Performance and Results Act. Our approach has been noteworthy in the Federal Government; the International Development Research Council (IDRC) recently gave PBS its Innovation Award for our Linking Budget to Performance program.

Improving Perceptions is one of our goals; we want to be perceived as the best service provider in every core business in which we engage. We have expanded the concept of Design Excellence beyond our world-class award-winning new buildings to improving the entrances and lobbies of our existing buildings through our First Impressions initiative, our Design Excellence in Leasing program and our Construction Excellence efforts. We reach out to the communities surrounding Federal facilities through our Good Neighbor, Planning with Communities, and Livability programs. We look for creative ways to use our historic properties. We are laying the foundation for a world-class physical security system by rethinking our approach in terms of changing requirements and technology. We are committed to providing safe work places.

Provider of Choice: Our customer satisfaction ratings continue to meet or exceed the targets we have set, offering proof that our concentrated effort to improve the office environment for our customers is paying off. Our buildings management staff has the technical knowledge to provide outstanding space for our tenants. Coupled with our continued concentration on customer service, we provide simple, customer-friendly solutions covering the spectrum of GSA services. We strive to be our customers’ provider of choice and to be so customer friendly that agencies will be able to reduce their need for in-house real estate staffs.

Organization of the PBS Section

The PBS Performance Plan is divided into 6 responsibility segments:

- Revenue and Investment
- Real Property Operations
- Leasing Operations
- Construction and Acquisition
- Repairs and Alterations
- Property Disposal

Each responsibility segment is linked to one or more of GSA’s Strategic Plan Goals and Objectives. Each segment has a series of performance measures that are linked to the expenditure of funds. Each performance measure has a long-range and an annual performance goal. We have linked the budget at the responsibility segment level rather than to each measure.

Terms

The PBS performance goals are discussed on the following pages. Among the terms used in this discussion are:

Long Term Performance Goal: a three to five year target level of performance, expressed as a tangible, measurable objective, against which actual achievement can be compared. The defined goal is a quantitative standard, value or rate, and can be either outcome or output oriented.

Annual Performance Goal: a single budget year target for level of performance, expressed as a tangible, measurable objective, against which actual achievement can be compared. The defined goal is a quantitative standard, value or rate, and can be outcome or output oriented.

Performance Measure: a particular value, characteristic, or comparison used to measure or assess outcome or output.

Data

In order to track and assess performance, we use data from a handful of internal and external sources. Certain data sources support multiple performance goals. Instead of repeating that information throughout this report, we will refer to the information below in the verification and validation segments for various performance measures. If a particular data source supplies data to only a single measure, it will be discussed with that measure.

The **National Electronic and Accounting System (NEAR)** is GSA's corporate accounting system, and is the foundation for all PBS financial data.

NEAR data is reliable and accurate. NEAR data is subject to audit by the Inspector General, and a complete audit is performed annually by GSA's independent auditor, PriceWaterhouseCoopers. This annual independent audit of GSA's financial statements has produced an unqualified opinion for the thirteenth consecutive year. Inputted financial data is also subject to extensive in-house staff reviews, analysis, and system edits. As a result of these data verification methods, GSA's financial data used in the performance measures are valid within a very high degree of certainty.

The **System for Tracking and Administering Real Property (STAR)** is our primary source of PBS real property data. STAR is a Windows-based application, providing the user direct on-screen access to the data base for updating PBS real property data and retrieving this data via standard and ad hoc reports.

The accuracy of STAR data has improved significantly over the past year, and will continue to improve as a result of several actions taken by PBS. We have implemented an internal data accuracy measure as part of our regional monthly performance reporting which has been quite effective in reducing errors and missing data. We contracted with Arthur Andersen, Inc., to assist in developing processes and procedures to permanently reduce the number of errors in STAR through a single-point-of-entry process. Also, PBS is currently re-measuring buildings to compile a database of graphical spatial data and to validate the accuracy of assignment and inventory data.

The **Gallup Organization** provides data for our customer satisfaction measures. The Gallup Organization, one of the world's largest management consulting firms, brings its core expertise in the areas of measurement and analysis of people's attitudes, opinions, and behavior to our satisfaction measures. Gallup employs several types of data verification methods including a parallel processing method for its automated reports. This process uses both electronic matching and manual proofing of the data; randomly verifying that a certain proportion of scanned and manually keypunched surveys are 100 percent accurate. Gallup's analysis indicates that we can expect a 95 percent statistical confidence level in this data.

To measure customer satisfaction among tenants, Gallup uses a survey tool developed in conjunction with the International Facility Management Association (IFMA). The customer satisfaction survey is conducted on an annual basis and covers one-half of PBS's building inventory (roughly 3,000 owned and leased buildings).

We are working with Gallup to develop a measure of agency ordering official satisfaction. Starting in FY 2001, Gallup will use the ordering official survey, to be conducted through phone interviews. Regions will supply a complete list of ordering officials who will be sampled for the survey. Once the survey is completed the results are compiled and analyzed by Gallup and shared with PBS.

REVENUE AND INVESTMENT

The financial objective of the PBS, briefly stated, is to generate adequate revenue to cover our expenses and to provide funds for reinvestment in our assets. PBS has worked hard since initiating our Linking Budget to Performance program to reinforce this “portfolio view” among our managers and employees as they make day-to-day decisions which impact our bottom line.

In order to focus our revenue management efforts, we have grouped existing and new measures together in this new responsibility segment. We aim to view these measures together as an integrated way of assessing the financial health of our organization.

PERFORMANCE GOALS LINK TO STRATEGIC PLAN

GSA Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property, and maximize the Government's return on investment.

PBS PERFORMANCE MEASURES

The performance measures in this segment show revenue in two ways. First, actual revenue relative to what we projected we would collect. Secondly, as a function of what could be collected if all the variables under our control were optimized; specifically, by maintaining accurate billing records and by holding only minimal amounts of non-revenue producing space. We also set targets for reinvestment capital to be used to modernize and alter existing space.

Revenue collected as a function of Revenue projected
Contribution
Non-revenue producing space – Government owned
Non-revenue producing space – Leased

BUDGET LINKS

Direct Revenue \$6.1 billion (Excluding Indefinite Authority)

GSA anticipates that the achievement of our annual performance goals for the measures in this responsibility segment will result in at least \$6.1 billion in revenue. Critical to the achievement of our revenue goal is the \$673 million in total Repairs and Alterations funding for FY 2001 including the \$51 million to be used in FY 2001 for vacant space recapture. In turn, the \$827 million Repairs and Alteration program for FY 2002 will be critical to preserving the value of our inventory and reducing vacant space, thus achieving our revenue goals for FY 2003 and beyond. Amounts for asset preservation and tenant alterations are included under the Repairs and Alterations segments.

Revenue and Investment

GSA Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and optimize the Government's return on investment.

Long Range Performance Goal

Generate, for the Federal Buildings Fund (FBF), the amount of revenue estimated for a given year.

Annual Performance Goal

Generate between 98 and 102 percent of the revenue estimated in the FY 2002 Budget.

The primary source of revenue to the FBF is rental receipts from the tenant agencies we house. The majority of the revenue is used to operate buildings, lease space, and provide continuity for our day-to-day operations. The remainder represents the "contribution" available for capital investment: modernization, interest payments, debt reduction and a modest new construction program. Since PBS is given new obligational authority based on its revenue estimate, it is critical for PBS to achieve that revenue level in order to fund programs and meet performance expectations outlined in this plan. It is important that our revenue projections, established up to 18 months prior to the end of the fiscal year, since rent estimates affect agency budgets and agencies' ability to carry out their programs. The accuracy of the revenue projections is also important because underestimating means that the additional revenue over the estimate can not be appropriated for use until the subsequent fiscal year.

Target

Our performance will be calculated as follows:

$$\left(\frac{\text{RENTAL REVENUE COLLECTED}}{\text{ESTIMATED TOTAL REVENUE}} \right) \times 100$$

Generate between 98 and 102 percent of the revenue estimated in the FY 2002 budget.

FY 2002 Target \$6,323 million

Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Reduce non-revenue producing space in both owned and leased buildings.

Continue Spatial Data Integrity effort to re-measure our largest revenue producing buildings and to keep the drawings current.

Refine how we utilize data accuracy goals in our internal measures and in our linking budget to performance process.

Provide in Occupancy Agreements that client agencies are responsible for making rent payments for "unique" space until PBS can find an alternative occupant.

Deliver new space on schedule.

Verification/Validation

Source: NEAR
STAR

The Data section discusses these systems as data sources.

Revenue and Investment

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and optimize the Government's return on investment.

Long Range Performance Goal

Generate, from within the FBF, an annual capital investment contribution of between 2.5% to 4.5% of the functional replacement value of the owned inventory for each of the next 5 years.

Annual Performance Goal

Generate a capital investment contribution of 4.4% of the functional replacement value of the owned inventory.

The primary source of revenue to the FBF is rental receipts from the tenant agencies we house. The majority of the revenue is used to operate buildings, lease space, and provide continuity for our day-to-day operations. The remainder represents the "*contribution*" available for capital investment: modernization, interest payments, debt reduction and a modest new construction program. To the extent that PBS is successful in collecting revenue and reducing expenses, we generate this *contribution*.

Target

The performance measure is contribution available for capital investment expressed in terms of an absolute dollar amount and a percentage of the Functional Replacement Value (FRV) of the owned inventory. It is computed as follows:

REVENUE FROM OPERATIONS minus NEW OBLIGATIONAL AUTHORITY for Building Operations and Rental of Space equals CONTRIBUTION available for Capital Investment

We estimate the FRV for FY 2002 at \$33.1 billion. Our performance targets are:

	<u>Total Contribution</u>	<u>% of FRV</u>
FY 1999 Actual:	\$1.2B	4.1%
FY 2000 Actual:	\$1.3B	4.0%
FY 2001 Target:	\$1.0B	3.1%
FY 2002 Target:	\$1.1B	4.4%

PBS tracks accomplishment of this goal internally by measuring Funds from Operations (FFO). FFO is important for PBS as a measure of actual performance. Since FFO does not equate well to budget formulation and requests for new obligational authority, "*Contribution*" to capital investment was introduced as a new measure to the FY 2001 Performance Plan. We are continuing to use it to link requests to new obligational authority.

Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Meet our revenue estimate, our targets for reducing non-revenue producing space, and planned construction and renovation schedules so that revenue streams can begin as projected.

Exploit outleasing opportunities and break even on leased space.

Hold operating costs at 12 percent below private sector cost levels while reducing overhead (indirect) costs and continue to pursue energy conservation goals and realize appropriate cost reductions.

Stay within budgeted amounts for prospectus level construction and modernization projects.

Continue data accuracy efforts.

Verification/Validation

Source: NEAR

The Data section discusses this system as a data source.

Revenue and Investment

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and optimize the Government's return on investment

Long Range Performance Goal

Reduce the amount of non-revenue producing space in the Government-owned inventory to 10% in FY 2005.

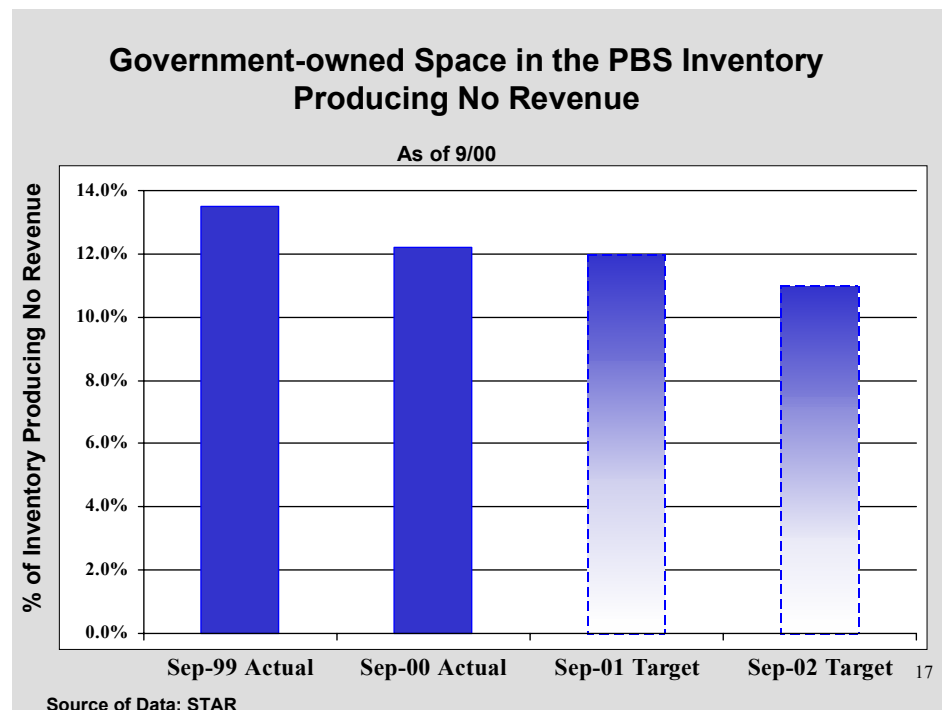
Annual Performance Goal:

Reduce the amount of non-revenue producing space in the Government-owned inventory from an estimated 12% in FY 2001 to 11% in FY 2002.

Target:

Percentage of Government-owned inventory not producing revenue

FY 1999 Actual	13.5%
FY 2000 Actual	12.2%
FY 2001 Target	12.0%
FY 2002 Target	11.0%



Government-owned space that does not produce revenue reduces the percentage of gross potential revenue PBS can collect which, in turn, directly affects funds available for capital improvements. Non-revenue producing space includes space under alteration, space occupied by PBS, and vacant available space. We estimate reductions in non-revenue producing space resulting from the FY 2002 program will increase annual revenue by \$32 million per year in the out-years.

Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Convert vacant space under alteration into vacant available or assigned space as quickly as possible.

Realign space assignments within owned buildings to consolidate small portions of vacant space into larger marketable blocks.

Continue to use occupancy agreements as a tool to help eliminate gaps between the time when space becomes available and when a revenue stream begins.

Review underutilized properties and determine, analyze and implement prudent alternatives.

Exploit outleasing opportunities alternatives.

Verification/Validation

Source: STAR

The Data section discusses this system as a data source.

Revenue and Investment

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and optimize the Government's return on investment.

Long Range Performance Goal

Reduce the amount of non-revenue producing leased space to 3.0%.

Annual Performance Goal

Maintain the amount of non-revenue producing space in the leased inventory at 3.0% in FY 2001 and FY 2002.

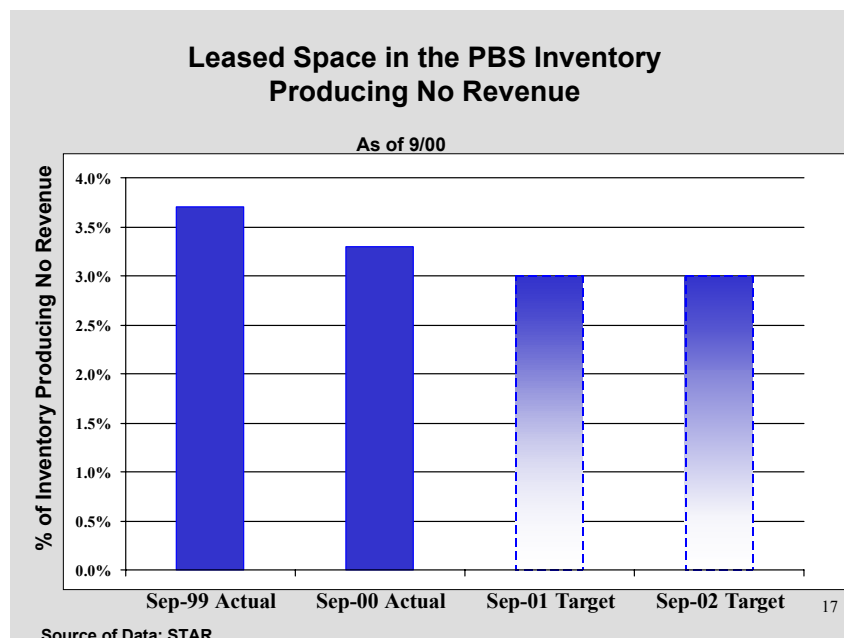
Leased space that does not produce revenue also reduces the percentage of gross potential revenue PBS can collect. This in turn, directly affects funds available for capital improvements. Non-revenue producing space includes space under alteration, space occupied by PBS, and vacant available space. We estimate reductions in non-revenue producing space resulting from the FY 2002 program will increase annual revenue by \$9 million per year in the out-years.

Target

The long-range performance goal was met in FY 2000. We have established a new long-range performance goal of 3.0 percent and will pursue that goal over the next several years. Lost revenue, from this level of non-revenue producing leased space, is covered by fees charged to tenant agencies in their rental payments for leased space.

Percentage of leased space not producing revenue

FY 1999 Actual 3.7%
FY 2000 Actual 3.3%
FY 2001 Target 3.0%
FY 2002 Target 3.0%



Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Plan tenant expansions and downsizing more effectively to minimize vacant space.

Buy out leases when cost effective and move tenants to vacant owned space.

Exploit outleasing opportunities.

Market vacant space where possible and where government owned vacant space is not available.

Verification/Validation

Source: STAR

The Data section discusses this system as a data source.

REAL PROPERTY OPERATIONS

This section of our performance plan includes goals and measures related to the operational management of our buildings and properties. Our operating costs compare favorably with those of the private sector. In FY 2002, we want to fine-tune our service delivery and to maintain expenses at 12 percent below the private sector while focusing on consistent quality and services that target specific location or agency needs.

In FY 2002, we are also introducing a new Environmental financial liability measure – “Due Care”. Environmental assessments are an essential element for effective asset management. The “Due Care” measure is the first step in a multi-phased assessment to determine if the property is or has in the past posed an environmental hazard. This measure helps integrate environmental requirements into the PBS business processes and improves our overall environmental performance. In subsequent years, we will also measure the number of buildings where we have documented and quantified the extent of the environmental contamination. Ultimately we can then estimate the environmental financial liability and establish baselines and targets for reducing this liability.

PERFORMANCE GOALS

LINK TO STRATEGIC PLAN

GSA Strategic Goal:	Promote Responsible Asset Management
GSA Strategic Objective:	Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.
GSA Strategic Goal:	Excel at Customer Service
GSA Strategic Objective:	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.
GSA Strategic Goal:	Meet Federal Social and Environmental Objectives
GSA Strategic Objective:	Meet environmental goals, prevent pollution and use natural resources in a sustainable manner.

PBS PERFORMANCE MEASURES

Building operating costs relative to industry
Indirect costs
Customer satisfaction – tenants
Customer satisfaction – security
Security risk level analysis relative to cost
Energy conservation
Environmental financial liability – “Due Care”

BUDGET LINKS

Building Operations - Buildings Services (including cleaning, mechanical, utilities, etc.) \$831 million.
Building Operations – Staff, Administration and Program \$640 million.
Building Operations - Protection \$244 million.
Building Operations - Protection Support (distributed overhead plus direct management and staff support) \$34 million.

Of the \$1,749 million requested for Building Operations, the measure for operating cost covers \$462 million of the \$831 million requested for Buildings Operations - Building Services. The measure includes cleaning, mechanical and utility expenses for owned office and office like facilities and a limited number of GSA serviced leased facilities. The remaining dollars are for cleaning, mechanical and utility services in

other facilities and miscellaneous services in all buildings. The levels include \$19 million for new inventory. The \$381 million for salary, administration and program support cost includes both direct and indirect support for building operations and other asset and property management services for our inventory. Also included is \$6 million for improving environmental performance and complying with mandates. At this level of support, we anticipate that we will deliver the Building Services program at 12 percent below market rates at the targeted levels of tenant satisfaction. Targeted levels of performance for GSA's Security measure will be achievable at the budgeted levels of \$244 million for the Protection program, plus \$34 million for support. Included are security upgrades to our contract guard program (\$10.0 million), security equipment replacement (\$2.5 million) and the Law Enforcement and Security Officer Program (\$3.1 million), which will significantly enhance GSA's security program.

The amount requested for total indirect costs is \$674 million, which excludes Information Technology costs. This cost has been distributed to all of the responsibility segments funded from the Federal Buildings Fund.

Real Property Operations

GSA	
Strategic Goal	Meet Federal Social and Environmental Objectives
GSA Strategic Objective	Meet environmental goals, prevent pollution and use natural resources in a sustainable manner.

Long Range Performance Goal

Reduce the financial liability for environmental clean-up costs in Government owned and leased inventory.

Annual Performance Goal

Complete the first step, “Due Care”, for estimating the financial liabilities for Government owned and leased inventory.

The Statement of Federal Financial Accounting Standard (SFFAS) #5 and #6 requires that Federal agencies identify, document and quantify (\$ costs of remediation) the environmental financial liability posed by all owned and leased properties within their inventory. This identification will be accomplished by conducting multi-phased environmental assessments of each property. By 2002, we will finish the first step in this assessment by completing “Due Care”; to determine if the property is or has in the past posed an environmental hazard. Of the properties posing a potential environmental liability, the next step will be to document the environmental contamination. For the properties with documented environmental contamination, the third step will be to assess and quantify the extent of the contamination. Based on these findings we can then estimate the environmental financial liability.

When the environmental financial liability is assessed and baselines are established we can then focus our attention on setting targets for reducing this liability.

Target

Percent of the first step “Due Care” estimates completed for total inventory,

FY 2002 Target: 100%

Verification and Validation

Environmental managers manually track, investigate and verify environmental information in property files, city and county records. To ensure data accuracy, Regional Counsels, General Counsel, Finance and the Inspector General's office then review this information.

Real Property Operations

GSA

Strategic Goal	Promote Responsible Asset Management
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GSA Strategic Objective	Manage assets and related services effectively.
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Long Range Performance Goal

Maintain building operations costs in office and office-like (courthouses, labs, childcare facilities, etc.) space at 12% below private sector benchmarks.

Annual Performance Goal

Maintain building operations costs in office and office-like space to 12% below private sector benchmarks.

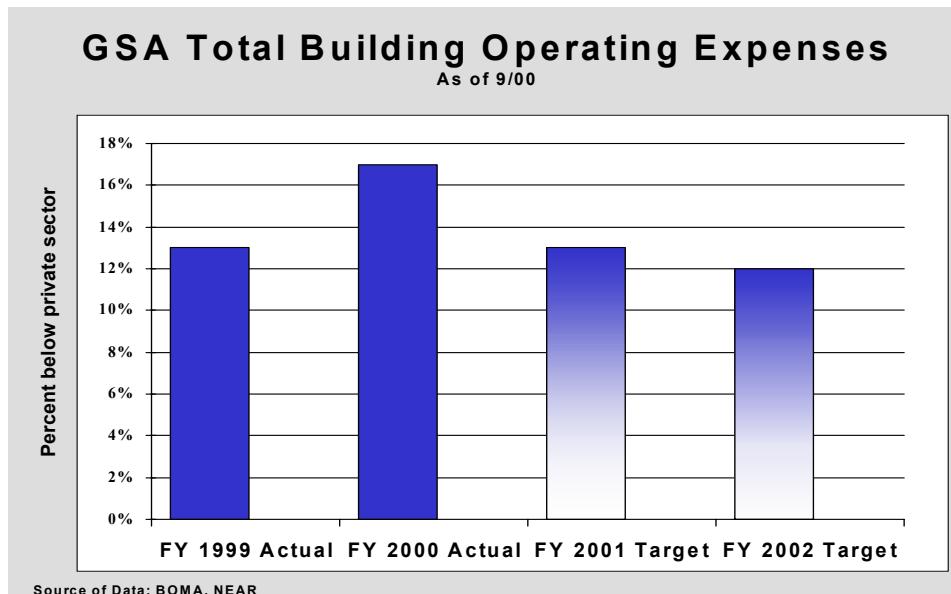
By actively controlling cleaning, maintenance, and utility costs, PBS keeps its costs well below the industry average, provides our tenants with quality workspace, and contributes to our capital program. PBS has developed several sophisticated benchmarks to monitor operations costs -- maintenance, utilities, and cleaning -- in comparison with those in equivalent private sector buildings.

We are intentionally holding this target flat for FY 2002. There is concern that further increasing the differential between GSA and private sector benchmark costs might have a negative impact on customer satisfaction for space quality and space functionality. Due to our need for additional R&A funding for our buildings, we have been decreasing the budget for our cleaning program. We feel that at 12 percent below market, we can provide clean space for our tenants. However, at the current 17 percent level below market, we could be providing less than adequate services. We are presently performing a study to determine the level of cleaning we provide versus the private sector to ensure we are providing a commercially comparable level of service. The results should be available in the summer of 2001.

Target

Percentage difference between GSA's operating costs per rentable square foot for office and office-like space and private sector costs.

FY 1999 Actual	13% below
FY 2000 Actual	17% below
FY 2001 Target	12% below
FY 2002 Target	12% below



Strategies

The strategies mentioned below are designed to keep building operations costs in office and office-like space at 12 percent below private industry benchmarks.

Participate with industry groups and conferences on operation costs and adopt new methods.

Keep abreast of changes and trends in the service provision industry and contractor approaches.

Pursue energy conservation goals established by law and Executive Order.

Pursue commercial buying practices including simplifying specifications and performance-based contract approaches.

Verification/Validation:

Source: NEAR

The Building Owners and Managers Association's Experience Exchange Report (BOMA EER)

The Data section discusses the NEAR system as a data source.

The Building Owners and Managers Association (BOMA) is an advocacy group for the real estate industry, a federation of 94 local associations whose members own or manage more than 6 billion square feet of downtown or commercial properties and facilities across America. BOMA is recognized for its expertise in the field of real property, frequently testifying before Congress and working with property holding agencies. The Experience Exchange Report is a database that contains building operations statistics on more than 4,000 buildings throughout the United States. It is used extensively in the private sector and we believe it is an accurate source for industry operating data that is comparable to our own.

Real Property Operations

GSA Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and optimize the Government's return on investment.

Long Range Performance Goal

Reduce indirect costs as a percentage of revenue.

Annual Performance Goal

Reduce indirect costs as a percentage of revenue from an estimated 10.1% in FY 2000 to 10.0% in FY 2002.

PBS defines as indirect, those costs not directly charged to a building or to a construction or renovation project. This definition includes salary and support costs for headquarters and regional management, facility and realty service providers, information technology, common administrative services and financial services.

PBS is committed to an organizational infrastructure that provides the right mix of human, financial, information technology, management, and other resources at the right price.

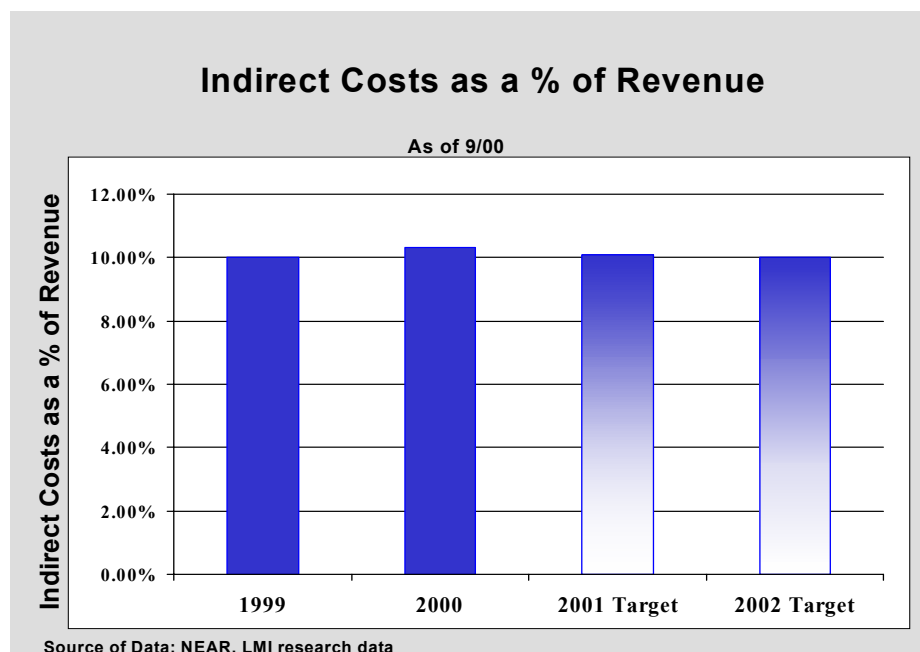
As a result of the difficulty in making a meaningful private sector comparison, PBS will use actual indirect costs for FY 1999 as the baseline for improvement. However, we are continuing to work with the Logistics Management Institute on developing private sector benchmarks and expect results by the start of FY 2002.

Target

The annual targets are based on budgeted indirect costs as a percent of revenue from operations.

Indirect costs as a percentage of revenue

FY 1999 Actual	10.0%
FY 2000 Actual	10.3%
FY 2001 Target	10.1%
FY 2002 Target	10.0%



Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Continue to utilize the Linking Budget to Performance initiative as an incentive for Regions to monitor and find ways to reduce indirect costs.

Continue working to develop private sector benchmarks.

Verification/Validation

Source: NEAR

The Data section discusses the NEAR system as a data source.

Real Property Operations

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Long Range Performance Goal

Achieve an overall customer satisfaction rating of 85%.

Annual Performance Goal

Improve to an overall 82% customer satisfaction level in FY 2002.

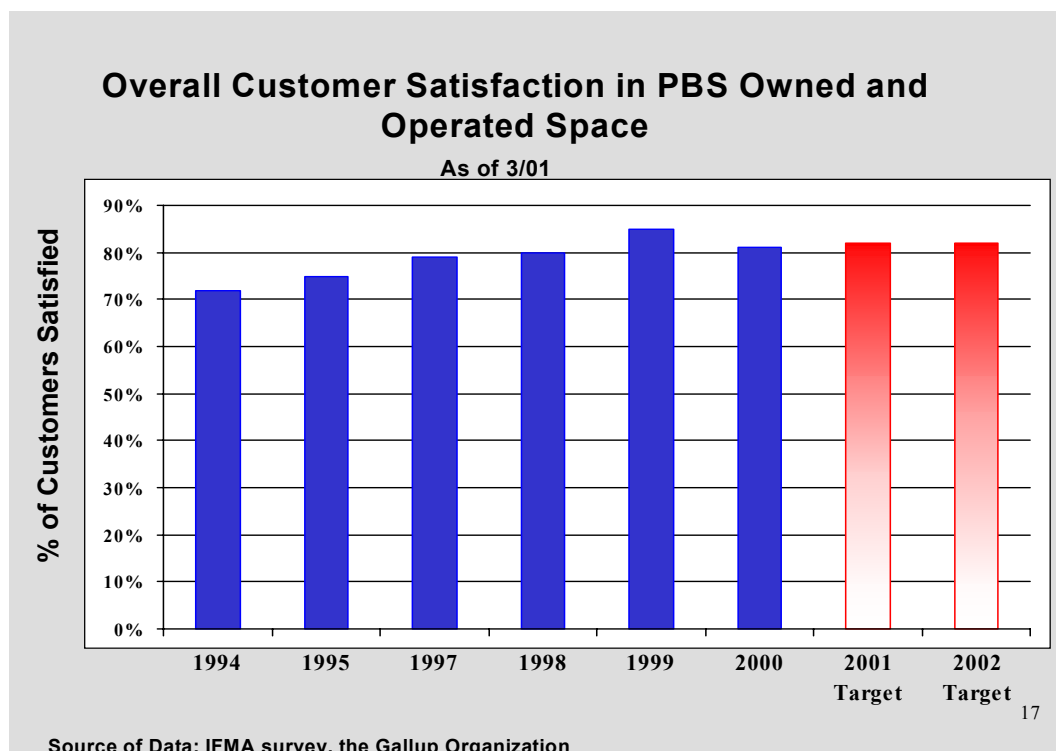
PBS provides, in a timely manner, quality space that is responsive to agency requirements. PBS, with the help of the Gallup Organization, polls the tenants in half of our buildings each year using a survey developed in conjunction with the International Facilities Management Association (IFMA) to determine customer satisfaction levels. For the half of our inventory measured in FY 2000, customer satisfaction reached 81 percent. We feel that the 85 percent reached in FY 1999 was an aberration, so for the future, targets will be based on continuing to improve upon the FY 2000 score.

Target

Percentage of tenants that rate PBS owned and operated services as satisfactory or better:

FY 1998 Actual 80%
FY 1999 Actual 85%
FY 2000 Actual 81%
FY 2001 Target 82%
FY 2002 Target 82%

Note: 1996 data is excluded in chart because it does not represent a random sample of PBS space.



Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Utilize customer satisfaction action planning training at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores.

Encourage building managers with high customer satisfaction scores to share those business practices that have helped attain these high scores with other building managers nationwide.

Use focus groups, at the building level, to better understand what is needed to improve customer satisfaction.

Verification/Validation

Source: The Gallup Organization
IFMA customer satisfaction survey

The Data section discusses the Gallup Organization and the IFMA customer satisfaction survey as data sources.

Real Property Operations

GSA Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Long Range Performance Goal

Achieve an overall customer satisfaction rating of 85% with physical security.

Annual Performance Goal

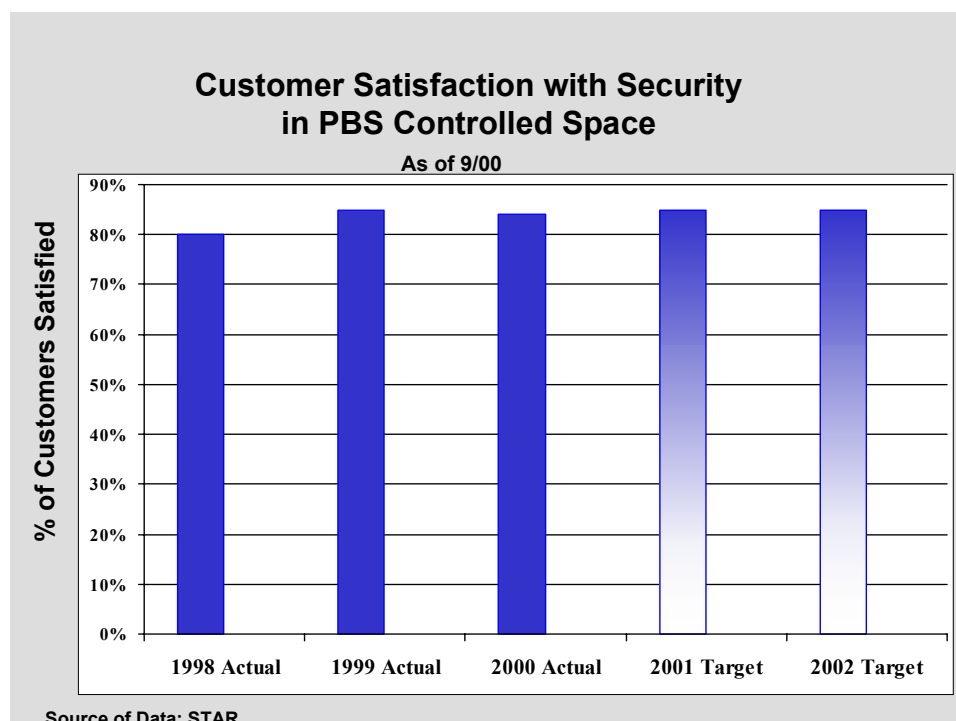
Improve to an overall 85% customer satisfaction level with security in FY 2002.

We poll the tenants in half our buildings each year using a survey developed by the International Facilities Management Association (IFMA) to determine customer satisfaction levels. We have prepared a satisfaction index from the security-related questions asked, which we can compare to year after year. We are working to baseline and target a new security measure which includes consideration of customer satisfaction with actions we've taken to reduce the security threat to the building, its occupants and visitors. When the baseline and targets have been established, this measure will be replaced by that new measure.

Target

Percentage of tenants that rate PBS physical security services as satisfactory or better:

FY 1998 Actual 80%
FY 1999 Actual 85%
FY 2000 Actual 84%
FY 2001 Target 85%
FY 2002 Target 85%



Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Utilize customer satisfaction action planning training at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores.

Encourage building managers, law enforcement security officers, and other building personnel with high customer satisfaction scores to share those business practices that have helped attain these high scores with others nationwide.

Use focus groups, at the building level, to better understand what is needed to improve customer satisfaction.

Interface with agencies and realty specialists during the space procurement process.

Meet with policy officials at agencies to ensure they are aware of FPS services and that they meet agency needs.

Verification/Validation

Source: The Gallup Organization
 IFMA customer satisfaction survey

The Data section discusses the Gallup Organization as a data source.

Real Property Operations

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings.

Long Range Performance Goal

Minimize vulnerability of Government buildings to outside threats through the improvement of Federal Protective Service (FPS) operations, the application of appropriate countermeasures and additional resources.

Annual Performance Goal

For FY 2002, realize an annual reduction of 2.5% in the Regional Threat Composite Index from the baseline established for the start of FY 2002.

Law enforcement and security organizations around the world have been frustrated in their attempt to establish performance measurement. Traditionally, they measure incidents such as incoming police calls. PBS has taken a new approach by redefining the Federal Protective Service function from "improving security" to "threat reduction".

Using the newly developed Regional Threat Assessment (RTA), the risk or threat to PBS controlled buildings can be identified and quantified. The RTA focuses on motive; opportunity and means that the PBS controlled workspace may provide outside groups or individuals. The assessment is quantified and a threat index is calculated for each building surveyed. The surveyed buildings within a Region are prioritized in descending index order. The regional composite Threat Index is then developed considering the ten buildings with the highest index values. An evaluation of the annual percentage change in a Region's composite Threat Index will be conducted to assess performance.

A completed national Threat Assessment Index baseline will be established and in place by FY 2002.

Target

FY 2001 Baseline:	TBD
FY 2002 Target:	2.5% Reduction in Composite Threat Index

Strategies

An effective strategy will reduce the regional threat level with a synchronized law enforcement and physical security effort in coordination with other PBS elements. This strategy will be accomplished through the following tactics: emphasize the implementation of appropriate countermeasures, obtain timely criminal intelligence, reduce the number of violent incidents, improve contact and communication with customers (customer satisfaction) and partner with security contractors.

Ultimately a regional strategy will be adopted where a unique organizational concept is employed. This organizational concept will optimize strengths, reduce weaknesses and develop opportunities while operating within the fiscal confines of established budget priorities.

Verification/Validation

Regional Threat Assessment Index – A Central Office review team will validate annual changes in a Regions' composite Threat Indices.

Real Property Operations

GSA	
Strategic Goal	Meet Federal Social and Environmental Objectives
GSA Strategic Objective	Meet environmental goals, prevent pollution and use natural resources in a sustainable manner.

Long Range Performance Goal

Meet the conservation goal to reduce energy consumption by 30% from the FY 1985 baseline by FY 2005.

Annual Performance Goal

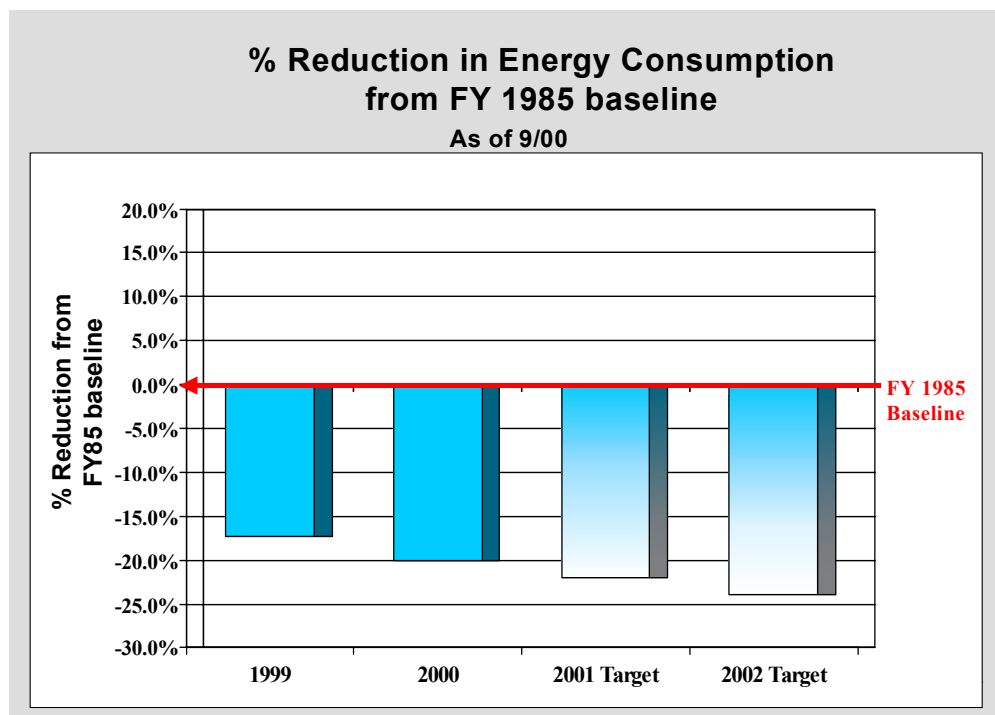
Improve energy reduction from 22% below the FY 1985 baseline in FY 2001 to 24% below in FY 2002.

The Energy Policy Act of 1992 requires agencies to reduce energy consumption by 20 percent in FY 2000 compared to the FY 1985 base year. Executive Order 12902 stretches this goal and requires agencies to reduce energy consumption by 30 percent by FY 2005, again relative to the FY 1985 baseline. (Executive Order 13123 increases our energy reduction goal to 35 percent in FY 2010.)

Target

Percentage reduction from FY 1985 baseline

FY1999 Actual 17.3%
FY 2000 Actual 20.0%
FY 2001 Target 22.0%
FY 2002 Target 24.0%



Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Invest \$5 million in FY 2001 from line item prospectus funds to exploit energy conservation opportunities and help meet the FY 2002 goal.

Pursue design and construction methods that result in GSA facilities achieving external environmental recognition through DOE's Energy STAR program, and EPA's Leadership Energy and Environmental Design program (LEEDS).

Maximize use of alternative financing contract mechanisms to reduce energy use and cost by publishing GSA's established programs and providing guidance on how to use these programs.

Increase by 25 percent the number of alternatively financed projects in FY 2001 compared to FY 2000. Use life cycle cost analysis and utility management techniques to enhance building operations efficiency.

Verification/Validation

Source: NEAR
 Energy Usage and Analysis System (EUAS)

The Data section discusses the NEAR systems as a data source.

The Energy Usage and Analysis System gathers utility cost and consumption information from the NEAR system. The staff of the EUAS Center verifies each new data entry from hard copy utility bills and tracks every utility bill in every building where GSA pays a utility bill. Most agencies sample a subset of their building inventory and project energy consumption over the entire inventory. The EUAS Center also reviews billing data to ensure that GSA is paying the correct rate from the correct rate schedule for each building from each utility company.

Several additional data checks are made monthly. Regional energy coordinators also review billing data in the EUAS system and building managers certify a statistical sample of data monthly. A utility accrual profile has been established for each utility account and every bill that is received that falls outside the accrual tolerance is reviewed and certified for payment by building personnel. Discrepancies are reported back to the EUAS Center for correction and staff members work directly with utility companies to correct billing records. Through these processes, we have high confidence that the data in the EUAS system is extremely accurate.

LEASING OPERATIONS

Leasing operations provide for funding recurring payments for existing and replacement lease contracts, temporary expansion space in support of major repairs and alterations projects, relocations from Federal buildings due to forced moves, and relocations due to health and safety conditions. Unanticipated demand during a fiscal year for expansion space for new or expanded agency programs is provided under GSA's indefinite authority provision.

We provide workspace for Federal employees in over 6,200 leased properties. Currently, leased space accounts for 45 percent of our total space inventory by square footage, and more than 50 percent of the employees we accommodate are in leased space. In recent years, we dramatically reduced the time and cost to deliver leased space to agencies and provided services at a level comparable to those of private real estate services. To continue a high level of service to federal client agencies with fewer PBS employees, we have contracted with a number of private real estate firms to help the Government lease space in local markets and provide such services as lease administration and renegotiations, requirements development, market surveys, and out-leasing.

Our goals for Leasing Operations are to provide leased space for client agencies at or below the cost of equivalent space obtained by the private sector, and improve the percentage of satisfied customers.

PERFORMANCE GOALS LINK TO STRATEGIC PLAN

GSA Strategic Goal:	Compete Effectively for the Federal Market
GSA Strategic Objective:	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.
GSA Strategic Goal:	Excel at customer service
GSA Strategic Objective:	Incorporate customer feedback and customer satisfaction into GSA's planning and decision-making processes.

PBS PERFORMANCE MEASURES

Cost of lease space relative to market
Recovery of lease costs
Customer satisfaction – tenants

BUDGET LINKS

Rental of Space \$2,960 million (excludes Indefinite Authority of \$211 million)
Building Operations (salary, administration and program support) \$227 million

Of the \$1.7 billion requested for Buildings Operations, \$227 million is in support of the leasing program. This includes \$75 million for Building Services and \$56.2 million for protection. Brokerage services, property management, space planning and indirect cost including information technology, total \$96 million. At this level of support, we anticipate that we will deliver the \$3.5 billion total leasing program at or below market rates at the targeted levels of tenant and ordering **official satisfaction**.

Leasing Operations

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and optimize the Government's return on investment.

Long Range Performance Goal

Provide leased space for client agencies at or below the cost of equivalent space obtained by the private sector.

Annual Performance Goal

Keep the cost for new GSA leased office space under the average of each of the four aggregate market ranges (categories) being tracked in FY 2002.

Our job, in leasing space for our customers, is to lease space in the market that provides the best value for their leasing dollar. Best value is not always the space offered at the lowest price. Often, building amenities, space features and a number of other factors can make buildings' tenants more productive and efficient. Space that makes tenants marginally more productive may be a better value than space at a significantly lower costs. For that reason, we have changed our annual performance target to reflect that our aggregate new leases of class A and class B space, whether inside or outside central business districts, on the whole be below the average of private sector leases in those same categories.

Target

Our new target will compare our aggregate lease costs in four categories. These categories will include:

- Class A space inside a Central Business District (CBD)
- Class A space outside a CBD
- Class B Space inside a CBD
- Class B space outside a CBD

Note that PBS uses the Society of Industrial and Office Realtors' definition for Class A and B space. Class A is defined as space in an excellent location, high-quality tenants, high quality finishes, well maintained, and professionally managed.

Class B is defined as space in a good location, professionally managed, fairly high-quality construction and tenancy. Class B buildings generally show very little functional obsolescence and deterioration.

FY 2001 Target	Below the industry average in each of the 4 categories
FY 2002 Target	Below the industry average in each of the 4 categories

This will be determined by calculating the average of the aggregate square footage costs in new GSA leases and comparing it to the median of aggregate square footage costs in private sector leases in each of the four categories.

Strategies

PBS uses a number of successful strategies to keep leasing costs at or below market levels. Some of these strategies are mentioned below.

Maintain a PBS staff that is knowledgeable of market conditions.

Partner with our contract brokers to free up PBS resources to better manage customer relationships and the overall leasing program.

Compare lease offers with industry benchmarks as a starting point for negotiations.

Provide price expectations to our contract brokers in terms of benchmark prices.

Use market surveys to “comparison” shop for the best price in a market area.

Use published market sources (e.g. Black’s Guide) to get a better understanding of area markets.

Benchmark tenant alteration construction cost against cost guides (e.g. Mean’s cost data).

Use PBS’s newly designed solicitation for offers (SFO) for tenant alterations where practical.

Use the expedited leasing process (where net lease cost is less than \$100,000) where appropriate.

Work with lessors to meet National Fire Safety requirements at a minimum of additional cost.

Work with agencies to maximize the value of their space, yet control costs.

Verification/Validation

Source: STAR
 Society of Industrial and Office Real Estate Markets (SIOR),
 Logistics Management Institute (LMI)

The Data section discusses STAR as a data source.

The SIOR commercial network and its publications are valuable tools in determining current trends and market rates from which GSA can benchmark. Member professionals who work in each reported market develop the market information used by SIOR.

LMI is a private non-profit organization that provides management consulting, research, and analysis to governments and other non-profit organizations. The participation of LMI as a data provider for this measure expands our effort to validate STAR data. LMI employs several filters and data verification methods after preliminary results are collected from STAR. Regional offices are given the opportunity to re-check the final posted data for inaccuracies. The resulting lease data that is collected is valid with a reasonable degree of certainty.

Leasing Operations

GSA Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and optimize the Government's return on investment

Long Range Performance Goal

Breakeven on operating leases.

Annual Performance Goal

Reducing the loss on operating leases to \$21.2 million.

Rents charged by GSA for space in leased space should be set to recover the cost associated with those leases. Space in operating leases is priced on a cost pass-through basis, that is lease contract cost plus operating expenses where not funded within the lease, depreciation for GSA funded tenant and building improvements, plus the 8 percent PBS fee. Pricing in PBS's portfolio leases, or leases where GSA has taken on certain management elements of ownership, is appraisal based the same as owned space. Program cost and income are determined using NEAR financial data.

Protection related cost and income are not included in this measure.

Target

We assess the financial impact of leasing space by using net income for leased space.

FY 1999 Actual	(\$61.0 million) - loss
FY 2000 Actual	(\$66.2 million) - loss
FY 2001 Target	(\$46.2 million) - loss
FY 2002 Target	(\$21.2 million) - loss

Strategies

PBS utilizes a number of strategies for breaking even on our inventory of operating leases. Some of these strategies are mentioned below.

Insure that STAR billing data is complete and accurate.

Reduce non-revenue producing leased space.

Limit overhead costs (which are eventually allocated to the leasing program).

Keep the cost of support services as reasonable as possible (e.g. space planning, brokerage, engineering contracts).

Work closely with client agencies to firmly establish requirements in advance to avoid re-doing work in mid-project.

Work to stay on schedule and meet contractual commitments to prevent lessor claims.

Make customers financially responsible for when they are the cause of delay claims and scope changes.

Time lease effective dates to correspond with client occupancy to avoid PBS leasing space without a tenant.

Make sure all lease cost are passed through as appropriate to the customer (e.g. tax and operating expense escalations).

Ensure that costs are properly charged to leased (or owned) buildings in GSA's accounting system (NEAR).

Verification/Validation

Source: NEAR
 STAR

The data source is the NEAR accounting system, except for the value of income billed for protection, which must come from STAR.

The Data section discusses NEAR and STAR as data sources.

Leasing Operations

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Long Range Performance Goal

Achieve an 85% customer satisfaction rating on all leases and achieve a higher customer satisfaction rating on new leases.

Annual Performance Goal

Achieve a customer satisfaction rating in all leases of 82% with 86% or higher in newly leased space in FY 2002.

We have recast this measure for the FY 2002 performance plan. We continue to be concerned about our customer satisfaction in all of our leased space. However, we are particularly concerned about newly leased space and whether the business improvements we've made have helped to increase customer satisfaction. This recast measure will have two goals: To maintain an overall 85 percent customer satisfaction rating in all of our leased space, and to have an 86 percent customer satisfaction in our new leases.

Target

Percentage of tenants that rate leased space and services as satisfactory or better.

	Leases	New Leases
FY 1998 Actual	80%	87%
FY 1999 Actual	85%	90%
FY 2000 Actual	80%	85%
FY 2001 Target	82%	86%
FY 2002 Target	82%	86%



** Note: 1996 data is excluded because it does not represent a random sample of PBS's building inventory.*

Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Utilize customer satisfaction action planning training at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores.

Encourage building managers with high customer satisfaction scores to share those business practices with other building managers nationwide.

Use focus groups, at the building level, to better understand what is needed to improve customer satisfaction.

Make improving customer satisfaction in low-scoring buildings a condition of renewing the lease agreements in those buildings.

Improve construction management and inspection programs.

Verification/Validation

Source: The Gallup Organization
IFMA customer satisfaction survey

The Data section discusses the Gallup Organization and the IFMA customer satisfaction survey as data sources.

CONSTRUCTION AND ACQUISITION

PBS surveys the housing needs of its client agencies and the availability of Federal housing in communities nationwide. We recommend construction projects to meet new housing needs of an agency or to consolidate several dispersed agencies with long-term housing requirements.

PBS's experience has shown that a construction and ownership solution for special purpose and unique facilities, such as courthouses and border stations, is often the best housing solution because these facilities are not readily available in the real estate market. PBS may purchase existing facilities and may also acquire construction sites through purchase or exchange.

These expenditures are justified by the same stringent return on investment (ROI) analysis used to justify other capital and repair and alteration expenditures. By applying our Treasury-based "hurdle rate" of 6.1 percent, we ensure the non-prospectus construction projects represent opportunities to invest the Government's resources wisely.

The goals of Construction and Acquisition are timely completion of construction projects, minimization of cost overruns, and meeting customer needs.

PERFORMANCE GOALS LINK TO STRATEGIC PLAN

GSA Strategic Goal:	Promote Responsible Asset Management
GSA Strategic Objective:	Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

PBS PERFORMANCE MEASURES

Projects completed on schedule
Cost escalation
Customer satisfaction

BUDGET LINKS

New Construction \$386 million
Building Operations (salary, administration and program support) \$93.4 million

The performance targets are based on the approval of the \$92.6 million requested for Buildings Operations support, which includes funding for capital studies, space planning, prospectus development, GSA capital planning, property development services and indirect costs including Information Technology (IT).

The \$386 million for New Construction is required to meet the critical space needs of the Executive branch and the Courts. An additional \$276.4 million approved in the FY 2001 Advanced Appropriation will be utilized to meet New Construction requirements in FY 2002.

Construction and Acquisition

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Manage assets and related services effectively.

Long Range Performance Goal

Improve the percentage of construction projects completed on schedule to 85% in FY 2005.

Annual Performance Goal

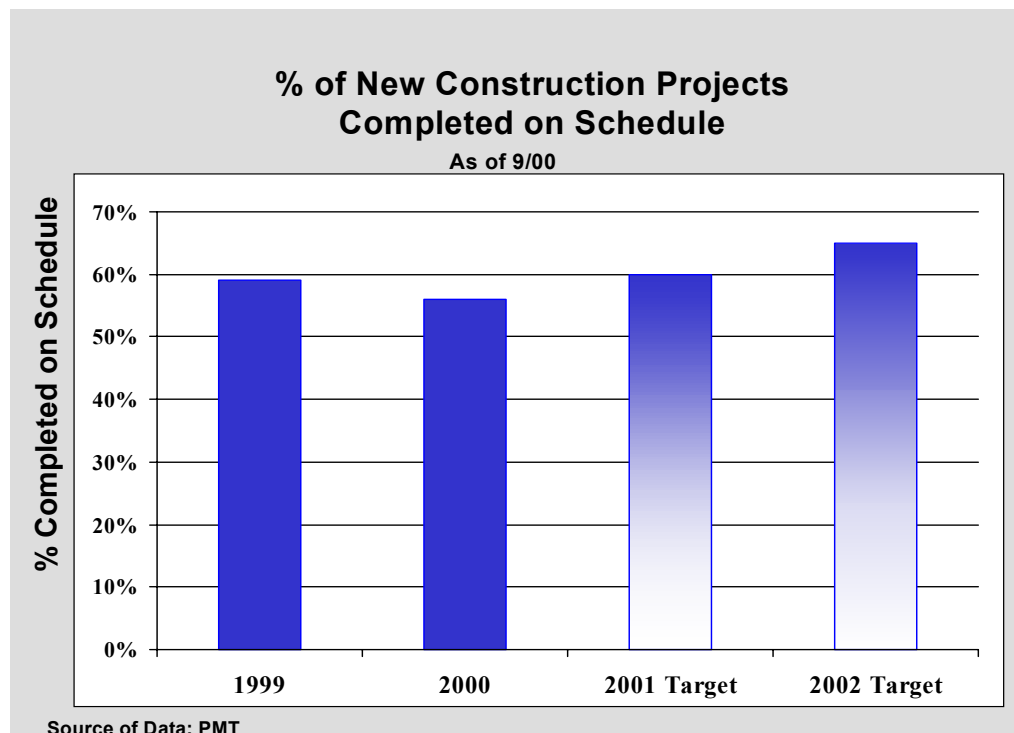
Improve the percentage of construction projects completed on schedule from 60% in FY 2001 to 65% in FY 2002.

Rental income projections are based on anticipated dates of occupancy. Completing projects on time is essential for income optimization, cost control and customer satisfaction. It is therefore critical that projects are completed on time (within 90 days of scheduled delivery) so that they can begin to generate expected revenue and meet customer space needs.

Target

Percentage of construction projects over \$10 million completed on schedule. (Weighted by cost)

FY 1999 Actual	59%
FY 2000 Actual	46%
FY 2001 Target	60%
FY 2002 Target	65%



Strategies

An effective strategy will improve the percentage of construction projects completed on schedule by looking at its impact on GSA's business. This strategy will be accomplished through some of the following tactics mentioned below.

Improving the quality control of project management through a proactive approach of better strategic planning and anticipating changes.

Improve contact and communication with customers for their changing needs and customer satisfaction. Major emphasis on meeting the Project schedule.

Limit project changes that cause delays by obtaining up-front commitment's from client agencies on scope, schedules and costs.

Maintain and improve management information systems that provide project managers with better real-time information about project status.

Develop a measure that quantifies the impact of schedule changes on the net present value of the project over its life cycle.

Verification/Validation

Source: IRIS/PMT

The Project Manager's Toolbox (PMT) is PBS' enterprise application for tracking progress of major new construction and repair and alteration (R&A) projects. PMT has a fully automated interface with Microsoft Project, a commercial software product used for planning, scheduling and management of large, complex projects. The PMT application and the Inventory Reporting Information System (IRIS) share a common database. IRIS is our enterprise application for tracking our R&A work inventory. IRIS also provides project progress tracking capability, which was originally intended primarily for minor R&A projects.

Because PMT has not met our expectations, we are currently pursuing several options ranging from a major overhaul and technology upgrade to abandonment in favor of a new system. In the interim, we have modified the IRIS application to provide progress tracking capability for new construction projects as well as major and minor R&A projects. Project managers have the option of updating schedules directly through IRIS or continuing to enter schedules through Microsoft Project into PMT. In either case, schedule and progress data is captured in the IRIS/PMT database, which serves as our primary data source for this measure.

In addition, we are using a project tracking system instituted in the PBS national office to verify status of major projects. Our headquarters staff works with regional project and program managers to track major projects from initial planning through final occupancy.

Construction and Acquisition

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Manage assets and related services effectively

Long Range Performance Goal

Reduce the cost escalation rate for new construction projects to 1%.

Annual Performance Goal

Reduce the cost escalation rate for new construction projects at 1% in FY 2001 and FY 2002.

PBS manages the construction program within budgets provided by Congress. Projects are considered within budget until PBS escalates or requests a reprogramming for the project that raises total project cost above the original appropriation amount. For this measure, we track all prospectus level projects above \$10 million completed during the fiscal year.

Target

Total cost of projects over \$10 million completed during a fiscal year are expressed as a percentage of the total original appropriation for those projects.

FY 1999 Actual	0.8%
FY 2000 Actual	5.7%
FY 2001 Target	1%
FY 2002 Target	1%

Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Improve the quality control of project management through a proactive approach of better strategic planning and anticipating changes.

Improve contact and communication with customers for their changing needs and customer satisfaction. Limit project changes that cause delays by obtaining up-front commitment's from client agencies on scope, schedules and costs.

Maintain and improve management information systems that provide project managers with better real-time information about project status.

Develop a measure that quantifies the impact of budget changes on the net present value of the project over its life cycle.

Verification/Validation

Source: National Electronic Accounting and Reporting (NEAR) system. The Data section discusses NEAR as a data source.

Construction and Acquisition

GSA Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Long Range Performance Goal

Maintain a 90% customer satisfaction rating in newly constructed buildings.

Annual Performance Goal

Maintain a 90% customer satisfaction rating in newly constructed buildings.

PBS achieves and maintains a high level of tenant satisfaction with newly constructed buildings through providing quality products and services at competitive prices while achieving significant savings for Federal agencies.

Target

Percentage of satisfied customers.

FY 1998 Actual	90%
FY 1999 Actual	91%
FY 2000 Actual	86%
FY 2001 Target	90%
FY 2002 Target	90%



Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Utilize customer satisfaction action plan training at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores.

Encourage building managers and project managers whose buildings have high customer satisfaction scores to share those business practices that have helped attain these high scores with other managers nationwide.

Use focus groups, at the building level, to better understand what is needed to improve customer satisfaction.

Verification/Validation

Source: The Gallup Organization
 IFMA customer satisfaction survey

The Data section discusses the Gallup Organization and the IFMA customer satisfaction survey as data sources.

REPAIRS AND ALTERATIONS

The Repairs and Alterations (R&A) program funds the necessary work to keep our building inventory in a proper state of repair, modernize outdated space and facilities, improve health and safety, recapture vacant Government-owned space, and address other special program needs. Our strategic plan gives top priority to investment in existing Government-owned assets to maintain their economic value; ensure our continuing ability to house Federal agencies and support their mission requirements; and enable GSA to charge market-comparable Rent rates sufficient to permit needed reinvestment in these assets over their life cycle.

PBS is developing a five-year strategy to address all buildings in the inventory but which tailors Repair and Alteration expenditures to expected funding levels. A draft strategy and policy guideline will be completed by early July 2001 and will be introduced in the 2003 Performance Plan.

The facilities under our stewardship have a Functional Replacement Value (FRV) of approximately \$33.1 billion. The repair and upgrade of these assets is always our top priority for capital funds. Without sufficient funds to properly maintain and modernize our buildings, we will fail in our stewardship role and the value of this government resource will decline.

The major alteration program, combined with the basic program, is budgeted at approximately 2.5% percent of the FRV of the owned inventory. This amount falls in the range of the funding level recommended by the National Research Council and is consistent with private sector practice. The basic program is designed to ensure day-to-day operational continuity of assets in GSA's portfolio. This program is a major component of the concept of improving the GSA brand through First Impressions, Retail Tenant Services, and Protection projects, Construction Excellence and initiatives to reduce non-revenue producing space.

The basic program includes work in buildings below the prospectus threshold for basic repairs, health and life-safety, vacant space recapture, and PBS special programs. The basic program is essential for preserving PBS's capital assets between major reinvestments. PBS's objective is to provide consistent levels of quality space and services that meet the mission-related needs and expectations of client agencies housed in owned capital assets.

Performance goals related to this responsibility segment are to complete projects on time and within budget, and to meet client needs.

PERFORMANCE GOALS LINK TO STRATEGIC PLAN

GSA Strategic Goal:	Promote Responsible Asset Management
GSA Strategic Objective:	Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

PBS PERFORMANCE MEASURES

Projects completed on schedule
Project rate of escalation

BUDGET LINKS

Repairs and Alterations – Federal Buildings Fund \$827 million (Total R&A program – which includes \$457 million of the major alteration program and \$370 million of the basic program)
Building Operations (salary, administration and program support) \$103.9 million

The performance targets are based on the approval of the \$103.9 million requested for Buildings Operations support, which includes funding for capital studies, space planning, prospectus development and GSA capital planning, property development services and indirect costs including Information Technology.

Repairs and Alterations

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Manage assets and related services effectively

Long Range Performance Goal

Improve the percentage of repairs and alterations projects completed on schedule to 85% in FY 2005.

Annual Performance Goal

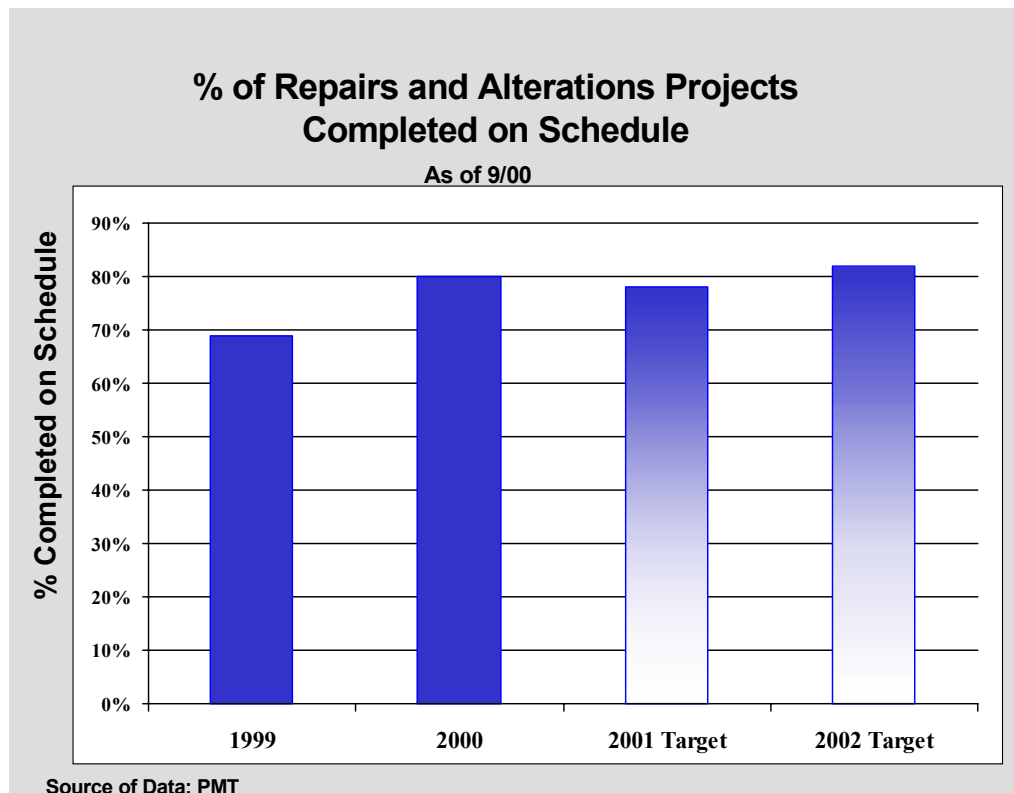
Improve the percent of repair and alteration projects completed on schedule from 78% in FY 2001 to 82% in FY 2002.

PBS financial projections include expected rental income from buildings undergoing modernization. As with new construction, completing these modernization projects on schedule (within 90 days of scheduled delivery) ensures they can be occupied and produce revenue as planned.

Target

Percentage of total dollars of repairs and alterations projects over \$10 million completed on schedule (weighted by cost):

FY 1999 Actual 69%
FY 2000 Actual 80%
FY 2001 Target 78%
FY 2002 Target 82%



PBS has been reviewing this measure internally and has determined that it does not go far enough in providing the type of information we need to assess the effectiveness of our program. The real result we are looking for is whether we are delivering what we promise on time and within budget, and are we achieving the financial goals of the project. We are developing a new measure for construction and repairs and alterations projects. The revised measure will continue to track the delivery of projects by completion date and budget. The new measure, however, will go one step further. It will identify any beneficial or adverse impact of project delivery or budget changes and will quantify the impact in net present value (NPV) dollars. We expect this revised measure to be fully developed and implemented during FY 2001.

Strategies

An effective strategy will improve the regional repairs and alterations program's operational efficiency and promote better asset management in coordination with other PBS elements. This strategy will be achieved through the following activities.

Implement a web-based program to streamline GSA's building evaluation reports.

Improve operational efficiency by linking the above referenced web-based program to the existing work tracking system, Inventory Reporting Information System (IRIS). It will eliminate double entry and insure data accuracy.

Utilize Asset Business Plan and the new R&A Decision Model to improve the financial decisions and establish budget priorities.

Update work inventory to track current backlog and to improve asset management.

Improve the use of Indefinite Delivery Indefinite Quantity (IDIQ) Contracts for project management and construction.

Improve contact and communication with customers (customer satisfaction).

Optimize the inventory tracking system to better track the backlog of work items which will ensure better operational efficiency and asset management as well as better project management and data accuracy.

Verification/Validation

Source: IRIS/PMT

The Project Manager's Toolbox (PMT) is PBS' enterprise application for tracking progress of major new construction and repair and alteration (R&A) projects. PMT has a fully automated interface with Microsoft Project, a commercial software product used for planning, scheduling and management of large, complex projects. The PMT application and the Inventory Reporting Information System (IRIS) share a common database. IRIS is our enterprise application for tracking our R&A work inventory. IRIS also provides project progress tracking capability, which was originally intended primarily for minor R&A projects.

Because PMT has not met our expectations, we are currently pursuing several options ranging from a major overhaul and technology upgrade to abandonment in favor of a new system. In the interim, we have modified the IRIS application to provide progress tracking capability for new construction projects as well as major and minor R&A projects. Project managers have the option of updating schedules directly through IRIS or continuing to enter schedules through Microsoft Project into PMT. In either case, schedule and progress data is captured in the IRIS/PMT database, which serves as our primary data source for this measure.

In addition, we are using a project tracking system instituted in the PBS national office to verify status of major projects. Our headquarters staff works with regional project and program managers to track major projects from initial planning through final occupancy.

Repairs and Alterations

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Manage assets and related services effectively

Long Range performance Goal

Reduce the cost escalation rate for repairs and alterations projects to 1%.

Annual Performance Goal

Maintain the cost escalation rate for repairs and alterations projects at 1%.

PBS manages the line item Repairs and Alterations program within budgets as provided by Congress. Projects are considered within budget until PBS escalates or requests a reprogramming for the project that raises total project cost above the original appropriation amount. For this measure, we track all prospectus level projects above \$10 million completed during the fiscal year.

Target

Total cost of projects over \$10 million completed during a fiscal year are expressed as a percentage of the total original appropriation for those projects

FY 1999 Actual:	-2%
FY 2000 Actual:	1%
FY 2001 Target:	1%
FY 2002 Target:	1%

Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Limit project changes that cause cost escalations by obtaining up-front commitments from client agencies in the Occupancy Agreement with PBS on scopes, schedules and costs. Completing projects within budget allows us to realize the return on investment expected.

Use design options that allow us to scale back a project to adjust for reductions to budget or bids higher than estimates.

Continue PBS commitment to its Design and Construction Excellence programs, which reflects industry practices in the contracting and management of construction. PBS no longer relies on low bid contracting as it moves towards best value methods. These methods include a selection criteria for contractors based on evidence of qualifications and a demonstrated, consistent ability to properly coordinate work on projects, as well as a solid track record of dealing with scope, budget and schedule.

Complete cost escalation study started in 2000 and identify good practices.

Verification/Validation

Source: National Electronic Accounting and Reporting (NEAR) System

The Data section discusses NEAR as a data source.

PROPERTY DISPOSAL

PBS provides its customers with real property disposal services in a timely and cost effective manner. This program promotes the maximum utilization and efficient redeployment of Federally owned real property through Federal transfers, public benefit discount conveyances and negotiated and public sales. This program receives direct and reimbursable funding. The direct program provides services related to utilization and disposal by sale, exchange, or transfer of real property reported as excess to GSA. The reimbursable program provides similar services on a fully reimbursable basis for other agencies with their own disposal authority. Our budget request provides for GSA's Real Property Disposal program to operate its business function using a comprehensive business plan that integrates strategic and tactical actions along with a marketing plan to improve quality and customer satisfaction.

The performance goal related to this responsibility segment is to maintain a dollar returned to dollar spent ratio of \$17:1 for FY 2002.

PERFORMANCE GOALS LINK TO STRATEGIC PLAN

GSA Strategic Goal:	Promote Responsible Asset Management
GSA Strategic Objective:	Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

PBS PERFORMANCE MEASURES

Cycle Time of Properties subject to the Federal Property and Administrative Services Act of 1949
Dollar returned to dollar spent

BUDGET LINKS

Property Disposal \$32 million (direct only)

Funds have been requested to accomplish planned target levels. The request includes funds for Lorton Correctional Complex, Protection & Maintenance (\$3.4 million), Defense Logistics Agency Stockpile Depots (\$1.8 million) and other increases.

Property Disposal

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Manage assets and related services effectively

Long Range Performance Goal

Achieve continuous yearly reductions in Cycle Time averages.

Annual Performance Goal

Improve annual cycle time to 335 days for properties subject to the Federal Property and Administrative Services Act of 1949.

PBS is currently measuring the performance of this program by using a dollar returned to dollar invested ratio. However, we also recognize the importance of cycle time in the disposal of real property. The environment of real estate management is constantly changing and more agencies are under pressure to reduce costs and divest unneeded assets. Until it has been disposed of, property must be maintained. Disposing of property in a timely manner will produce tangible cost savings in maintenance. We are now developing in FY 2001 base targets in cycle time for tracking, measuring and reporting cycle time for properties subject the Economy Act.

Target

FY 2001 Target: 335 days / 49 Act Property
FY 2002 Target: 327 days / 49 Act Property

Cycle Time is the difference in days between the date the report of excess is accepted by PBS and the date the property is awarded.

Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Continue to streamline disposal process while maintaining adherence to all legislation, laws, orders, regulations, etc., pertaining to the disposal of Federal Properties.

Continue aggressive marketing strategies.

Verification/Validation

Source: Real Estate Activity Locator System (REAL)

The Real Estate Activity Locator (REAL) system is a fully deployed, integrated, real property information and analysis system that contains such information as appraisals, sales tracking and surveys. Maintaining data accuracy and reliability of REAL data is a critical element in the realty specialist's performance plan.

Property Disposal

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayers' investment in real and personal property and maximize the Government's return on investment.

Long Range Performance Goal

Realize a ratio of \$17 returned to the government for every \$1 spent in disposal efforts.

Annual Performance Goal

Improve the dollar returned to dollar spent ratio from \$16:1 in FY 2001 to \$17:1 in FY 2002.

PBS provides real estate services for our clients that address the best ways to meet the Government's needs. If property is underutilized, PBS works with the client agency to release the excess property. If the property is deemed surplus, we manage the disposal process to ensure the laws are followed and taxpayers receive maximum return on their investment.

Target

FY 2000 Actual	16:1 (\$473 million:\$30 million)
FY 2001 Target	16:1 (\$496 million:\$31 million)
FY 2002 Target	17:1 (\$646 million:\$38 million)

The dollars returned are computed as follows:

The highest and best use appraised value of transfers of federal properties to federal agencies, state governments, and local entities.

Sales price of properties sold to private sector entities.

Strategies

PBS identified and continues to work on several strategies to improve our performance on this measure. Some of these strategies are mentioned below.

Enhance property utilization program by continuing to streamline and improve the utilization survey process.

Continue to partner with landholding agencies under Executive Order 12512 to identify excess real property and expand the disposal inventory.

Develop and implement a web site for intergovernmental asset information and sales. Such a web site will provide an on-line government-wide database of surplus and abandoned property assessable by the public (potential bidders and buyers) with on-line auction similar in concept to eBay.com.

Develop a knowledge management database. Having a central database makes answers to commonly asked questions readily available, facilitating the decision-making process.

Develop a marketing program for each of our top 10 customers. This program will permit the use of contracts that fully employ economy of scale purchasing power.

Continue use of contracts to handle increasing workload with limited personnel.

Verification/Validation

Source: NEAR
Real Estate Activity Locator System (REAL)

The Real Estate Activity Locator (REAL) system is a fully deployed, integrated, real property information and analysis system that contains such information as appraisals, sales tracking and surveys. Maintaining data accuracy and reliability of REAL data is a critical element in the realty specialist's performance plan.

MANAGEMENT CHALLENGES AND SOLUTIONS

PBS is continuing to strive to be the best public real estate organization in the world. In order to become the best, we are addressing the management challenges outlined below:

1. Verification and Validation of Data

Data Accuracy Measures

As we discussed in our FY 2001 performance plan, the reliability of the data that supports our performance measures is key to our business. As our skill at improving data accuracy increases, we are updating our internal data accuracy measures. We plan to have a data accuracy component for each of our internal measures in FY 2001. As part of this effort, we contracted with Arthur Andersen Inc.; to design and assist in the implementation of a single-point-of-entry (SPE) pilot as a test to improve STAR data input accuracy.

Data Clean-up / Data Quality Assurance Contract

Under this initiative, a contractor has developed and documented a quality control system that validates PBS's real estate and billing data residing in STAR, the Occupancy Agreement (OA) tool, and other related data systems software used in the PBS regional and field offices. The contractor also provided on-site support to our regions. This support included developing and executing diagnostic reports, conducting system research, and working one on one with PBS employees. The contractor incorporated the use of the CAD system as a component in developing the quality assurance system.

Spatial Validation

Our spatial validation efforts, which began in FY 2000, are intended to significantly improve the origination and management of spatial data. As of December of 2000, we have re-measured almost a third of our top revenue producing Government owned buildings. These efforts have significantly improved our billing and space assignment accuracy. We expect continued improvement as we pursue this effort.

Data Sampling for Accuracy

Though we have made improvements in the quality of our data, we need to develop a statistically valid random sampling program to check the accuracy of STAR data against source documents. We will contract with a private sector firm who has extensive experience in both statistical sampling and data audit and verification. This approach will assess the effectiveness of our efforts, and help us target future data improvement initiatives.

2. Improve the Measurement of our Building Security Program

For the last several years, both the Inspector General and the General Accounting Office have recommended that GSA develop outcome-oriented goals and measures for the building security program. As with a number of our other measures, we have attempted to gather comparative private sector data to compare to our own data. This has not been effective for two reasons. First, because of the tenants we house and the security-related events in past years, we provide a far different level of security than do most private sector companies. This makes reasonable comparisons difficult. Secondly, if we could determine how to adjust for differing levels of security, there is still the lack of credible security-related data for comparison purposes.

We have made several unsuccessful attempts at defining an outcome measure related to security, but have recently developed a promising concept. We have redefined the Federal Protective Service function from "improving security" to "threat reduction." Using a newly developed Regional Threat Assessment methodology, we are now able to quantify the threat level. This will enable us to assess the impact of the security countermeasures we implement on our overall threat level. We are developing a baseline for FY 2000 and will describe the new measure and strategies in subsequent performance plans.

3. Unfunded Repairs and Alterations

The General Accounting Office criticized our FY 2001 performance plan because, in part, it did not have specific goals and measures related to our aging inventory of buildings. We will begin a major effort in FY 2001 to develop such a measure or measures. However, in our FY 2002 budget we added an additional \$200 million to our Repairs and Alterations request.

Several actions were taken in FY 2000 that will help in this effort during FY 2001. First, we are pilot testing an off-the-shelf software product that is designed to compile building managers' assessments of the deficiencies in a particular property and determine the investment needed to bring the functionality of the property up to the level of a new building. That pilot has been conducted in one of our 11 regions and implementation in our remaining 10 regions is scheduled for FY 2001. This effort will be an important step in assessing the condition of our inventory and our need for future investment. We need to have an accurate assessment of the condition of our inventory and understand the magnitude of the modernization task. We then can craft a five-year strategy and a measure that will help us assess our progress in improving the condition of our inventory and the success of the strategies we use to make that improvement. We hope to be able to outline that five-year strategy and the new measure in our FY 2003 performance plan.

VIII. FEDERAL SUPPLY SERVICE

The worldwide network of the Federal Supply Service (FSS) provides Federal agencies with services and supplies worth \$22 billion a year. These include commercial products acquired directly from contractors at discount prices, professional services provided by major private sector firms, low cost vehicle acquisition and leasing, and travel and transportation services that are deeply discounted. FSS also saves the Government billions by managing the utilization, donation and sales of surplus and excess Federal personal property. The fastest growing area is service contracting which is included in the \$15.1 billion Federal Supply Schedules program. The Schedules program has benefited from the Federal procurement reforms of the mid-1990s and provides a broad and expanding range of products and services.

In the past, FSS served customer agencies through four business lines: Supply and Procurement, Vehicle Acquisition and Leasing Services, Travel and Transportation, and Personal Property Management. FSS is in the process of separating Supply and Procurement into two distinct business lines. We anticipate completing the transition to five business lines during the summer of 2001.

FSS' business lines are largely funded through the General Supply Fund and virtually all of its operating expenses are recovered in the prices it charges Federal agencies. For FY 2002, only \$25 million in Congressional appropriations will be used to fund two small programs: Transportation Audits and Property Management's Utilization and Donation Program.

FSS performance goals are grouped by business line and are described in the pages that follow.

Supply and Procurement

The Supply and Procurement business line offers Federal agencies a choice of more than 4 million commercial products and an extensive range of technology, financial, environmental, management, and administrative services. They can purchase directly from commercial suppliers through more than 8,700 FSS Schedule contracts many of which can be accessed through *GSA Advantage!*[™], GSA's award winning e-business service. Customers benefit from consolidated purchasing, FSS contracting expertise, and compliance with Federal procurement and socioeconomic policies. FSS promotes commercial buying practices, reduces acquisition time, and provides agencies opportunities to determine best value -- helping agencies get what they need, when they need it, to do *their own* jobs effectively and to focus on *their own* core missions.

Recognizing that our customers are no longer just the professional logisticians, but any Federal employee in need of products or services, FSS provides tools to help agencies make purchases easily and make better decisions. FSS purchase-card contracts speed the purchase and payment processes and allow for accurate record keeping. *GSA Advantage!*[™] allows Federal employees worldwide to compare prices, place orders, and make payments over the Internet.

As a self-sustaining activity, the Supply and Procurement business line projects its direct operating expenses for FY 2002 to be \$316.7 million, with a cost of goods/operations of \$855.9 million. Direct expenses include the cost of the schedules program but cost of goods does not. The five performance goals below focus on reducing cost-to-output ratios, expanding the range of services and products offered; providing Federal agencies commercial sources which will further the Government's socioeconomic goals; increasing customer satisfaction; and making more services and products accessible through GSA's e-business system, *GSA Advantage!*[™].

As mentioned on the previous page, the Supply and Procurement business line is changing. FSS is in the process of separating Supply and Procurement into two distinct business lines. This change will be reflected in the 2003 Performance Plan.

Supply and Procurement

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

Performance Goal

Reduce costs while expanding supply and procurement support to Federal agencies, thereby reducing the cost per \$100 sales by 6% from the FY 2001 level.

The Schedules program and contracting for services are expected to provide most of the Supply and Procurement expansion. These increased sales will not require a commensurate increase in expenses, thus leading to the improvement in cost per \$100 sales.

Performance Measure

Cost per \$100 of sales

FY 1998 Baseline	\$3.51
FY 1999 Actual	\$2.85
FY 2000 Actual	\$2.35
FY 2001 Target	\$2.37*
FY 2002 Target	\$2.22

*Note: We have retained \$2.37 as our FY 2001 target. It is an ambitious high-level expectation for our FY 2001 target recognizing as well that this will be a period of transition as the Supply and Procurement business lines are established as two distinct business lines.

Strategies

Services are the fastest growing sector of the Supply and Procurement business line. We will expand and build upon a base that includes: technology, training, financial asset management, charge card, environmental, engineering, human resource, marketing and media, laboratory, project management and protective services.

FSS is implementing corporate contracting in the Schedules Program. Corporate contracting invites a company that has more than one schedule contract to submit one offer for all services and products that are covered by the scope of the Federal Supply Schedule Program that it offers commercially. Corporate contracting will streamline this program by combining a number of negotiations a firm might now be engaging in. For contractors, corporate contracting eliminates redundancy in preparing bids, publishing price lists and reporting sales. For FSS, it will allow us to better utilize human and other resources, as employees work in teams to negotiate contacts.

Implement the new Supply business line organization. Align streamlined distribution operations with emerging e-business solutions.

Budget Links

Schedules program: Direct Operating Expenses \$125.8 million; Stock program: Direct Operating expenses: \$ 163.4 million; Cost of Goods/Operations: \$533.8 million; Special Order program: Direct Operating Expenses- \$27.5 million; Cost of Goods/Operations - \$322.1 million

Verification/Validation

Total operating expenses are divided by the total dollar volume purchased from FSS sources (as measured in the General Supply Fund), multiplied by \$100. The financial statements of GSA are audited annually by a private accounting firm and received an unqualified opinion.

Supply and Procurement

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Increase market penetration to maximize service to Federal agencies and effect the greatest advantage to the Government

Performance Goal

Increase Federal agencies' use of GSA sources of supply by 7% over FY 2001 by providing additional products and services and by making it easier to access them.

FSS offers sources of state-of-the-art, competitively priced, commercial services and products. In addition, by using FSS sources, agencies minimize the Federal cost of acquisitions and avoid onerous procurement procedures and make greater use of performance-based contracts.

At the request of GSA, the Logistics Management Institute conducted a study and found that it takes a Federal agency an average of 268 days to put a contract in place. A few years later, Johnson and Johnson Associates conducted a study "Comparative Analysis of Customer Elapsed Time Savings." The Study found that it takes a Federal agency an average of 49 days to make a similar purchase using the GSA schedule. This is an 82% savings in time (and, therefore, associated administrative costs) attributable to agencies' use of GSA schedule contracts.

Schedules and service contracting areas represent the growth sectors for FSS.

Note: While market share might be a better way of expressing this goal, Government-wide acquisition reporting (i.e. Federal Procurement Data System (FPDS)) lacks the detail necessary for this quantification. The business line will continue to investigate ways to express this concept.

Performance Measure

Dollar volume of GSA supply and procurement programs

FY 1998 Baseline	\$ 9.4 billion
FY 1999 Actual	\$12.7 billion
FY 2000 Actual	\$16.3 billion
FY 2001 Target	\$16.4 billion*
FY 2002 Target	\$17.6 billion

*The FY 2001 Target was increased from \$15.3 billion, which had been the target in the FY 2001 Performance Plan, based upon performance to date in FY 2000 and revised projections for FY 2001.

Strategies

In support of the Federal Activities Inventory Reform Act (FAIR), expand service contracting throughout our programs. This expansion will increase solutions by providing for a larger array of services associated with products offered on the FSS schedules as well as stand-alone services. Today, these include technology, training, financial asset management, charge card, environmental, engineering, human resource, marketing/media, laboratory, project management and protective services.

Meet customer demand for long-term relationships with commercial firms by establishing "evergreen" Schedules contracts, which offer 5-year terms and three 5-year renewals and allow schedule vendors to add and delete products and services from their contracts as their commercial lines change. This parallels the private sector concept of entering into open-ended contracts with strategic partners who share common goals and an understanding of program requirements.

Improve the flexibility and efficiency of Schedules contracts. Permit contractors to add new technologies and other innovations at any time during the life of a contract. To better meet customer needs, FSS encourages Schedules contractors to provide worldwide coverage and requires that they accept the government purchase card as a means of payment for all purchases under \$2,500. Also, performance incentives may be agreed upon between the schedule contractor and the prospective customer. Customers may use performance incentives where performance is critical to the agency's mission and they are likely to motivate contractor performance toward desired results. Incentives shall be based on objectively measurable outcomes.

Continue to improve upon the FSS Schedules E-Library Internet site as a centralized source for Federal Supply Schedule contract award information for Federal agencies. Schedules E-Library will be continually enhanced with customer-friendly features, such as a more sophisticated search engine.

Publicize and encourage customer use of the recently developed Multiple Award Schedules Program Owner's Manual to assist in educating customers on how they can best use the program to meet the mission needs of their agencies.

Train customers via the FSS developed U-MAS (Multiple Award Schedule) Virtual Campus on the features of the program, a few examples being, how to order services and develop statements of work. Individuals who successfully complete the on-line training receive a certificate.

Offer special order services for unique requirements or special services (e.g. overseas orders).

Budget Link

Schedules program: Direct Operating Expenses \$125.8 million;
Stock program: Direct Operating expenses: \$ 163.4 million; Cost
of Goods/Operations: \$533.8 million; Special Order program:
Direct Operating Expenses- \$27.5 million; Cost of
Goods/Operations - \$322.1 million

Verification/Validation

The sources of sales data are the FSS supply and procurement operating and management information system (FSS-19) and the Federal Supply Schedule cost-recovery systems. Both systems are password protected and conform to the GSA Information Security Policies and Procedures. The certification and accreditation review was completed on September 30, 1999, for the FSS mainframe systems located in Eagan, MN and in March 2000, for the FSS-19.

Schedules data is reported quarterly via the Internet by contractors using their password and contract number. Checks are performed to assure that all contractors are reporting sales and follow-ups are conducted including visits to contractor facilities to ensure that they understand the reporting process and how to submit their industrial funding fees to GSA.

Supply and Procurement

GSA	
Strategic Goal	Meet Federal Social and Environmental Objectives
GSA Strategic Objective	Meet small business and socioeconomic procurement goals.

Performance Goal

Promote socioeconomic goals by maintaining the current proportion of Schedules contracts awarded to small businesses.

FSS is reaching out to the small business community and to minority and women-owned businesses to assist their participation in Government contracting, thereby facilitating Federal agencies' use of small businesses and promoting the Administration's socioeconomic goals. GSA Schedules make it easier for Federal agencies to use small business vendors for many types of supplies and services. Agencies are concerned with meeting their goals of contracts awarded to small businesses. Starting in FY 1999 agencies could get credit for using small business schedule contractors in meeting their agency small business goals. Their use of small business schedule contracts has increased from \$3.2 Billion in FY99 to \$ 4.5 Billion in FY 2000.

Performance Measure

Percent of Schedule contracts awarded to small businesses

FY 1998 Baseline	77%
FY 1999 Actual	77%
FY 2000 Actual	77%
FY 2001 Target	77%
FY 2002 Target	77%

Note: The actual number of small business contracts has increased. Since the baseline of FY 1998 to September 2000, contracts with small businesses have gone from 5,598 to 6,748.

Strategies

Actively participate in outreach efforts to sustain the proportion of contracts awarded to small businesses. This includes participating with the Office of Enterprise Development in an annual 10-city tour to educate small businesses on how to do business with the Government, with emphasis on schedule contracts. This has been an ongoing effort since FY 99. Also, FSS Acquisition Centers continually conduct sessions on "How to Complete a Quality Offer" with emphasis on helping small businesses.

Implement a memorandum of understanding (MOU) between SBA and GSA allowing customer agencies to order from designated 8(a) firms under the schedules program and count those orders toward their 8(a) procurement goals.

Budget Link

Within Schedules program: Operating Expenses \$125.8 million.

Verification/Validation

Data is reported in the FSS supply and procurement operating and management information system (FSS-19). This system conforms to GSA Information Security Policies and Procedures. The certification and accreditation review was completed on September 30, 1999, for the FSS mainframe systems located in Eagan, MN, and in March 2000, for the FSS-19.

Supply and Procurement

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Continuously improve relationships with our customers by developing a thorough understanding of their concerns, anticipating their needs and finding creative solutions for them.

Performance Goal

Increase customer satisfaction with Supply and Procurement programs.

To gauge customer satisfaction with its performance, FSS contracts biennially with a professional, private sector survey organization to poll its customers throughout the country and at U.S. installations overseas. The issues tracked include quality of products, timeliness, responsiveness to inquiries and discrepancies, ease in use of FSS, courtesy of our staff and that of our contractors, and accessibility of information to help customers make decisions, reach solutions or resolve concerns. The most recent poll (concluded in FY 2000) showed 96% of FSS customers as "satisfied" (*ratings of 3 to 7 on a 1-to-7 scale*); 72% were "highly satisfied" (*ratings of 6 and 7 on a 1-to-7 scale*.) Only 4 % registered dissatisfaction (*ratings of 1 and 2*).

Performance Measure

Percentage of responses in the category "highly satisfied"

FY 1997/98 Baseline	61%
FY 1999/2000 Actual	72%
FY 2001/2002 Target	72%*

Note: FY 1999-2000 results exceeded by a considerable margin our original target of 63% in the "highly satisfied" category. We have retained the 72% "actual" as our FY 2001/2002 target.

Strategies

Emphasize commercial services and products as well as commercial practices, thereby, ensuring that FSS customers have choices representing quality standards and the latest technology available in the private sector.

Make FSS services and products increasingly accessible online via *GSA Advantage!*TM

Provide training to customers about our programs. The U-MAS Virtual Campus provides Internet training to our customers on the Multiple Award Schedules (MAS) Program. The curriculum is continuously updated based on customer needs. E-Library and the Multiple Award Schedules Owner's Manual advance customer understanding and access to these valuable and timesaving programs.

Seize all opportunities to train and expand understanding of the best acquisition practices and the services provided by FSS. As an example, at the May 2000, FSS International Products and Services Expo, 1,342 hours of such training were provided during the 2-day event.

Pursue a new survey approach that will provide more "real time" customer feedback, complementing the biennial survey.

Budget Link

Schedules program: Direct Operating Expense \$125.8 million;
Stock program: Direct Operating expenses: \$ 163.4 million; Cost
Of Goods/Operations: \$533.8 million; Special Order program:
Direct Operating Expenses- \$27.5 million; Cost of
Goods/Operations - \$322.1 million

Verification/Validation

EDS, a private sector consulting and polling organization, conducted the most recent customer satisfaction survey.

Supply and Procurement

GSA	
Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Employ advanced information and Internet technology to make acquisition of products easier and faster for all Federal . agencies

Performance Goal

Increase the number of services and products available to Federal customers via electronic systems and Internet connectivity.

The current growth of electronic commerce and Web-based shopping is increasingly having an impact on the procurement environment. Ahead of many Federal agencies, FSS introduced GSA *Advantage!*[™] in FY1996. By the end of FY 1998, 1,284 contracts were available and by October 2000, the number had increased to 2,900 contracts available for shopping via this award winning electronic catalog. In addition to GSA *Advantage!*, FSS has introduced E-Library which makes information, updated daily, about FSS Schedules contract awards available via the Internet. And, FSS has begun development of e-Buy, an Internet-based Request for Quotes application.

Performance Measures

Percentage of schedule contracts accessible through GSA *Advantage!*[™]

FY 1998 Baseline	18%
FY 1999 Actual	23%
FY 2000 Actual	35%
FY 2001 Target	95%

Note: FSS fell short of the goal to have 50% of our schedule contracts accessible through GSA *Advantage!*[™] in FY 2000. FSS has been working with its commercial partners to encourage them to be on GSA *Advantage!*[™]. Until recently, FSS had not made it a requirement for schedule contract holders to be on GSA *Advantage!*[™]. It has been voluntary for 4 years.

Strategies

Implement a policy requiring contractors wanting to be eligible for a long term (evergreen) contract to make their products and services available electronically on GSA *Advantage!*[™]. In April 2000 we provided information to our contractors who provide services so that their contract information could be accessible on GSA *Advantage!*[™]. Prior to this time contractors for products were the predominant commercial partners on GSA *Advantage!*[™].

Since voluntary participation in GSA *Advantage!*[™] did not have the desired results, starting in October 2000, all new schedule contractors have to have their products and services on GSA *Advantage!*[™] within 6 months. By July 2001, all contracts will require GSA *Advantage!*[™] access, as a condition of award.

Establish and implement e-Buy. Complementing GSA *Advantage!*[™] we are also anticipating future work force needs by inaugurating e-Buy which will facilitate the request for and submission of quotes.

Continue to make FSS Schedules contract award information available electronically via FSS' Schedule E-Library, an Internet site. E-Library identifies all Schedules services and products and its information is updated daily to ensure access to the latest schedules and contract award information.

Establish EIRO. In addition to providing electronic systems for our customers to use, such as GSA *Advantage!*[™], Schedules E-Library, and e-Buy, we are anticipating our customers' future needs as

technologies evolve, making alternative locations for the workplace possible. FSS is developing EIRO (E-connected Intelligent Remote Operations). It will provide the advantages of the Federal Supply Schedules services program, integrated with mobile commerce and wireless technology. EIRO will enhance the impact of a Federal agency's program or office through assessment/services/products packages available through the schedules program.

Budget Link

Schedules program: Direct Operating Expenses \$125.8 million;
Stock program: Direct Operating expenses: \$ 163.4 million; Cost
of Goods/Operations: \$533.8 million; Special Order program:
Direct Operating Expenses- \$27.5 million; Cost of
Goods/Operations - \$322.1 million

Verification/Validation

A count is performed of Federal Supply Schedule contracts on GSA *Advantage!*[™]. GSA *Advantage!*[™] was designed to conform with GSA's Information Systems (IS) Security Policies and Procedures. Its IS certification and accreditation review was completed in October 1999.

Note: This performance measure was changed from a count of products available on GSA *Advantage!*[™] to a percentage of contracts accessible on GSA *Advantage!*[™]. Product count is no longer considered a representative measure because services are an increasing portion of the business line. The count of products did not take this into consideration. The new percentage of contracts measure includes both product and service contractors and is a more appropriate measure.

Vehicle Acquisition and Leasing Services

The Vehicle Acquisition and Leasing Services business line provides customer agencies with quality vehicles and fleet management services, offering low prices and economical lease rates. Buying approximately 55,000 vehicles annually and managing a worldwide fleet of over 177,000 vehicles, this business line offers a wide variety of vehicles from the largest manufacturers and provides a broad range of fleet management services. By leveraging the Government's largest volume procurements, FSS provides substantial savings. Whether a customer agency decides to buy or lease vehicles, FSS has the answer that meets the Government's vehicle needs.

Purchasing over \$1 billion in vehicles annually, FSS provides all non-tactical vehicles needed by civilian and military customer agencies, as well as vehicle and related services to other eligible organizations, including the U.S. Postal Service and the government of the District of Columbia. Vehicle types include sedans, light trucks, ambulances, medium and heavy trucks, buses, trailers, construction equipment, wreckers, fire-trucks, tankers and special purpose vehicles. Related products and services include engineering services, tires, accessories, leasing of construction and light maintenance equipment and commercial leasing of sedans and light trucks.

As one of the largest fleets of non-tactical vehicles in the world, the GSA Fleet offers a comprehensive "cradle to grave" leasing program encompassing vehicle acquisition, asset management, maintenance and repair, fuel, accident management and vehicle re-marketing (sale/disposal). The GSA Fleet consists primarily of sedans, passenger vans, trucks (light, medium, and heavy), buses, and alternative fuel vehicles. The GSA Fleet employs a 10-year capital model to project revenues expenses capital income and outlays. By leveraging capital resources and fleet management expertise, rates are kept competitive and service levels high to offer customers the best choice for Federal fleet management. GSA will consolidate 28,000 vehicles between FY1998-2002. Consolidation of these 28,000 vehicles will save taxpayers over \$22 million.

Responding to environmental goals, since 1991, GSA has purchased over 36,000 Alternative Fuel Vehicles (AFVs) for the Federal fleet, nearly 30,000 of which were acquired for GSA Fleet customers. Many makes and models of AFVs are offered, as GSA helps customers comply with alternative fuel mandates. One of the important objectives of this environmental mandate is for the Federal Government to stimulate the market for AFVs and fuel-efficient vehicles by offering environmentally friendly alternatives to vehicles that use fossil fuels and foreign energy sources. By offering AFVs and fuel-efficient vehicles to purchase or lease, GSA has been instrumental in furthering this objective and assisting our customers in meeting the environmental goals.

This business line is funded through a portion of the price charged agencies for vehicles purchased and from monthly and per-mile fees for leases. Operating expenses for FY 2002 are projected at \$94.8 million and product costs at \$1.2 billion.

The Vehicle Acquisition and Leasing Services business line performance goals are to continue the substantial savings we achieve through volume buying, to provide further efficiencies by consolidating more vehicles into the GSA Fleet, to hold increases in our annual rates as close as possible to the rate of inflation, to maintain a high customer-satisfaction level, and to support the use of alternative fuel vehicles.

Vehicle Acquisition and Leasing Services

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the Government's return on investment.

Performance Goal

Achieve an average 20% savings over commercial "Black Book" prices for compact sedans.

Twenty percent (20%) is a reasonable goal given our expected volume of purchases will remain fairly stable. The average percentage savings is based on a 4-cylinder compact sedan in accordance with Federal Standard 122, Standard Item 9C, which represents the largest category of vehicles that FSS purchases.

Performance Measure

Percent saved compared to "Black Book" price

FY 1998 Baseline	20%
FY 1999 Actual	20%
FY 2000 Actual	27%
FY 2001 Target	20%
FY 2002 Target	20%

Strategies

Maximize volume purchasing power through one major consolidated purchase annually, obtaining the best possible savings for our customers and, ultimately, for the taxpayer.

Make buying vehicles through GSA easier for customers: we publish the *Federal Vehicle Standards* annually. Customers use the *Standards* as a buying guide to determine the types and configurations of vehicles that are generally available.

Budget Link

Automotive acquisition operating expenses of \$6.7 million. Cost of goods/operations of \$473.6 million.

Verification/Validation

Contract prices are compared to invoice prices listed in the *Black Book Lease Guide*. The "Black Book" is recognized by the automotive industry as an authoritative baseline for invoice and retail prices. Contract price information is captured through FSS' ROADS (Requisitioning, Ordering, And Documentation System) database. Security for this system is maintained through limited access and through password protection. An audit performed on this system in 1997 found it to be compliant with security requirements. The certification and accreditation review was completed on September 29, 2000.

Vehicle Acquisition and Leasing Services

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the Government's return on investment.

Performance Goal

Save taxpayers money by consolidating additional vehicles into GSA's fleet.

Many agencies, that own and operate their own fleets, request transfer of that responsibility to GSA to save money for the taxpayers. Savings represent the cost differences between other agencies' current method of supporting fleet operations and the amount that would be expended if the GSA Fleet were used. These savings can vary by agency in accordance with their individual costs as reported in the individual studies. Both age and condition of the vehicles, among other factors, have a great bearing on savings.

GSA Fleet is less expensive than any other option available to the customer. Numerous studies/competitions have been undertaken to substantiate the savings associated with GSA Fleet. Based on the results of these studies, GSA Fleet is traditionally 25 percent lower than private industry and continues to be the best value for the Federal Government. These savings have been validated through studies conducted by GSA, customer agencies, private sector consulting firms, and GSA in coordination with an independent third party, Arthur Andersen, LLP.

Consolidation plans are developed based upon customer demand, anticipated savings and the amount of capital available for FSS to fund vehicle consolidations.

Performance Measure

Savings through vehicle consolidation into the GSA Fleet

	Vehicles Consolidated	Savings	Cumulative Savings
FY 1998 Baseline:	5,329	\$ 6.4 million	\$ 6.4 million
FY 1999 Actual:	7,027	\$ 6.8 million	\$13.2 million
FY 2000 Actual:	5,950	\$ 4.1 million	\$17.3 million
FY 2001 Target:	6,400	\$ 3.7 million	\$21.0 million
FY 2002 Target:	3,900	\$ 1.8 million	\$22.8 million
Five Year Total:	28,606	\$ 21.8 million	\$22.8 million

Note: The savings per vehicle consolidated are declining. This is directly related to the conservative savings of \$136.00 annually per vehicle reported by the U.S. Air Force. The Air Force savings were derived from an Air Force Audit Agency report and are being applied to all vehicles consolidated by the Air Force. Earlier consolidations such as the U.S. Army in Europe and the U.S. Navy reported annual per vehicle savings of \$1,361 and \$677 respectively based upon their individual assessment of fleet performance.

Strategies

Continue to provide excellent support to old and new customers and complete all consolidations scheduled.

Evaluate the feasibility of expanding GSA Fleet European support to other customer

activities.

Continue to educate the Federal community on the benefits of consolidating agency-owned vehicles into the GSA Fleet.

Budget Link

Fleet Direct Operating Expenses of \$88.1 million and Cost of Goods/Operations of \$720 million.

Verification/Validation

Cost comparison studies and/or consolidating agencies provides savings projections. GSA Fleet relies on the data developed by other agencies and upon which they base their decision to consolidate. In the absence of exact historical information within an agency, the evaluation and savings may be drawn from other agencies' documented consolidation experiences. Consolidating agencies, for comparison purposes, use GSA Fleet's published rates, available through the GSA home page on the World Wide Web at <http://pub.fss.gsa.gov>.

Note: In the FY 2000 Performance Plan, this goal was changed from savings per vehicle to overall savings from consolidations. As with other FSS targets (see Travel and Transportation), overall savings convey the magnitude of the improvement and better depict the taxpayer results achieved. Accordingly we have changed the expression of this measure.

Vehicle Acquisition and Leasing Services

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the Government's return on investment.

Performance Goal

Hold annual increases in cost-per-mile for GSA Fleet operations at or below the weighted industry inflation rate.

GSA Fleet recovers expenses through a monthly rate and a per mile charge for each vehicle assigned to customers. GSA Fleet continually monitors its operation to improve processes to keep overall cost-per-mile annual increases at or near inflation. The target for FY2002 is \$0.3498. This reflects the assumptions of inflation shown below. Higher or lower inflation rates would have a material effect on our results.

Performance Measure

Increase in overall cost-per-mile (CPM).

	CPM	CPM Increase	Inflation
FY 1998 Baseline	\$0.3038	--	--
FY 1999 Actual	\$0.3065	0.9%	2.8%
FY 2000 Actual	\$0.3326	8.5%	9.0%
FY 2001 Target	\$0.3429	3.1%	3.1%
FY 2002 Target	\$0.3498	2.0%	2.0%

Strategies

Negotiate the lowest possible price for large quantity purchases from vehicle manufacturers and tire wholesalers.

Negotiate agreements with maintenance and repair service providers to take advantage of discounts.

Encourage the use of the Fleet services card, under the GSA SmartPay contract, which may be used at a large number of maintenance and repair facilities and provides management data electronically.

Require prior authorization of all maintenance and repair work over \$100 by the GSA Fleet Maintenance Control Centers, considering the history of each vehicle, its age, and the estimated cost of the work required.

Review all cost accounts on a monthly basis to monitor and restrict extraordinary cost growth.

Continue to improve the 10-year capital model which projects revenues, expenses, capital income and outlays and thereby enhance decision-making capabilities.

Continue to develop and implement national programs (e.g. National Maintenance Control Center, Accident Management Center and National Re-marketing Program) to leverage GSA Fleet resources.

Assumptions

In FY2001, fuel prices will escalate by 5.0% (estimate based on NYMEX futures), while non-fuel will escalate at 2.5% (Budget of the United States Government, FY 2001, table S-15, Comparison of Economic Assumptions, page 422). In FY2002, all items will escalate at 2.0% (also from Table S-15).

FY2001 “industry inflation” is basket composed of fuel (22.4%), maintenance and repair (13.8%), vehicle sales (2.8%), and “other” (61.0%). As different items experience different inflation in FY01, the basket composition changes slightly in FY2002 to 23.1%, 14.5%, 1.8%, and 60.6%, respectively.

Budget Link: Within GSA Fleet Direct Operating Expenses of \$88.1 and Cost of Goods/Operations of \$720 million.

Budget Link

Within GSA Fleet Direct Operating Expenses of \$88.1 million and Cost of Goods/Operations of \$720 million.

Verification/Validation

The source of the GSA Fleet overall cost per mile is the TIRES Monthly Operating Costs and Statistical Report FR-2130, generated monthly by the GSA Office of Finance. The overall cost per mile is derived by dividing net expenses by total annual miles driven.

The inflation figure is derived from the New York Mercantile Exchange future date for petroleum expense and the Consumer Price Index (CPI) from the Bureau of Labor Statistics (BLS) for all other GSA Fleet business segments

Vehicle Acquisition and Leasing Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal

Increase GSA's share of Federal fleet.

GSA strives to minimize the cost of Government-wide fleet operations by continuing to consolidate other agencies' fleet operations into the GSA Fleet. The market is defined as all vehicles except tactical, U.S. Postal Service, and special purpose vehicles.

Performance Measure

Percentage of Federal fleet operated by GSA

FY 1998 Baseline	43%
FY 1999 Actual	44%
FY 2000 Actual	46%
FY 2001 Target	47%
FY 2002 Target	48%

Note: Market share percentages are revised annually based upon fleet size as reported in the most recent Federal Motor Vehicle Fleet Report.

Strategies

Maintain GSA's current market share with excellent customer service.

Maintain the planned fleet consolidation schedule established with customers. For FY 2002, this includes: 2,400 vehicles for the U.S. Navy and approximately 1,500 vehicles for the U.S. Air Force.

Continue to educate potential customers on the merits of consolidating their fleet with GSA.

Evaluate the feasibility of expanding GSA Fleet European support to other potential customers

Budget Link

Within GSA Fleet Direct Operating Expenses of \$88.1 million and Cost of Goods/Operations of \$720 million.

Verification/Validation

GSA's Office of Governmentwide Policy is responsible for collecting agency fleet data and publishing the Federal Motor Vehicle Fleet Report each year. Agencies submit data to the Office of Governmentwide Policy on the vehicles they own, commercially lease or lease from the GSA Fleet. The "Share of Federal Fleet" measure is calculated from the last report available, for FY 1998. In that this is the latest report published, FSS assumes that the total Federal fleet has remained constant in total size in its calculation of market share.

Vehicle Acquisition and Leasing Services

GSA Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Continuously improve relationships with our customers by developing a thorough understanding of their concerns, anticipating their needs and finding creative solutions for them.

Performance Goal

Meet or Exceed Customer Expectations

The Vehicle Acquisition and Leasing Services business line will conduct its first integrated survey in FY 2001. Previous survey results gauged satisfaction levels with GSA Fleet only; this one examines satisfaction with vehicle acquisition services as well. The next survey will serve as the baseline for measurement of satisfaction levels in subsequent years. The 1995-96 survey found that 94% of GSA Fleet customers were satisfied; (3 to 7 on a 7 point scale) with 74% "highly satisfied" (*ratings of 6 and 7 on a 1-to-7 scale*), and only 2% dissatisfied (*1 or 2*).

Performance Measure

Percentage of respondents giving a "highly satisfied" rating

FY 1995/96 Baseline	74%
FY 1997/98 Actual	78%
FY 1999/00 Actual	Not available*
FY 2001/02 Target	79%

Note: The 1999/00 survey was not conducted due to delays attributable to the development of a satisfactory survey instrument for the integrated business line (vehicle acquisition and the GSA Fleet) – for which this would have been the first survey performed. Actions are underway for the survey to be performed in FY 2001.

Strategies

Continue to build on established partnerships with customer agencies and vendors, using the network of Fleet Management Centers, Fleet Service Representatives, and Maintenance Control Centers, and Accident Management Centers.

Sharpen the focus on services such as all-inclusive rates and a long-term "no lease" agreement that allows customers to turn in the vehicles at any time without penalty.

Implement a national Accident Management Center to provide customer agencies with a full-service centralized accident reporting and claims processing center.

Continue to provide easy to use Internet-based applications for customers to retrieve inventory data, report mileage, as well as an interactive preventative maintenance system.

Budget Link

Within targeted resources for the entire business line; Direct Operating Expenses \$94.8 million and Cost or Goods/Operations of \$1.2 billion.

Verification/Validation

The customer satisfaction survey for the Vehicle Acquisition and Leasing Business Line

will be conducted by Roper Starch Worldwide. Roper Starch Worldwide is one of the world's leading marketing research and consulting firms.

Vehicle Acquisition and Leasing

GSA	
Strategic Goal	Anticipate Future Workplace Needs
GSA Strategic Objective	Develop a model work environment for the future that is efficient, fully accessible, healthy, comfortable and economical.

Performance Goal

Fill 100% of requests for Alternative Fuel Vehicles (AFVs).

The Energy Policy Act of 1992 (EPACT) requires Federal agencies to purchase 75% of their annual light duty vehicles located in the 125 metropolitan statistical areas as Alternative Fuel Vehicles (AFVs) beginning in 1999 and beyond. The GSA Fleet is committed to removing obstacles to agency operation of AFV's and filling 100% of agency requests for such vehicles.

Performance Measure

Percentage of requests filled

FY 1998 Baseline	100%
FY 1999 Actual	100%
FY 2000 Actual	100%
FY 2001 Target	100%
FY 2002 Target	100%

Strategies

Encourage and educate customer agencies on the merits of acquiring AFVs through outreach programs.

Continue to partner with customers and fuel providers to assist with establishing supporting maintenance, repair, and fueling facilities.

Provide customers with flexible and innovative funding mechanisms to pay the cost of AFVs on an incremental basis. Customers can transfer cash up-front or request an agency surcharge across their fleet of leased vehicles to generate funding to pay for AFVs.

Provide customer planning and support services to assist with projecting customer agency AFV vehicle acquisition requirements under the EPACT and Executive Order 13149.

Continue support of the Federal Government's AFV User Program. This initiative is an effort to improve alternative fuel use by Federal fleet operators and provide a model for other cities to follow. GSA will make up to \$4 million in matching funding available to GSA Fleet customers with vehicles located in the six cities that have a strong policy to use alternative fuels.

Budget Link

Within GSA Fleet Direct Operating Expenses of \$88.1 million and Cost of Goods/Operations of \$720 million.

Verification/Validation

The U.S. Department of Energy has oversight of AFV usage for the Federal Government, as defined in the EPACT. Communication of AFV requests by customer agencies is accomplished through a non-mandatory annual plan developed by some of GSA Fleet's AFV customers. Agency plans may be verified through the Acquisition Management Program system (AMP), an internal GSA Fleet program that

maintains customer agency vehicle requests. AMP vehicle requests are consolidated into GSA's annual vehicle purchases. A certification and accreditation review was completed on September 29, 2000.

Travel and Transportation

The FSS Travel and Transportation business line helps control the costs of Federal employee travel and transportation services. Travel services include negotiated airline contracts, travel agency services and travel charge card services. Transportation services include the shipment of parcels, freight and household goods. The business line also oversees the use of audit contractors to examine the Government's air passenger, freight and household goods transportation billings to identify incorrect billings and overpayments and seek recovery for the Federal Government.

In recent years, Federal travel and transportation budgets have totaled approximately \$20 billion annually. Federal agencies that use FSS' freight, household goods, and small package express delivery services reduce costs and achieve administrative savings. FSS also achieves significant savings in airline passenger transportation charges through its City-Pair Program and protects the Government financially through its pre- and post-payment audit programs.

For FY 2002, expenses for the fully reimbursable travel and transportation services are projected at \$7.5 million. Transportation Audits receives a permanent indefinite appropriation, which is \$13.1 million for FY 2002.

Travel and Transportation

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of Government resources.

Performance Goal

Achieve significant savings on Federal travel as compared with commercial prices.

Federal employees spend about \$20 billion a year on travel. By leveraging this high volume of business, Travel and Transportation negotiates billions in savings for Federal travelers each year. Savings totaled \$2 billion in FY 2000, through the FSS Airline City-Pairs contracts with 14 major airlines, which deliver unrestricted airfares averaging 70 percent off of commercial fares. In FY 2000, the low fares were offered on 4,337 domestic and 653 international routes, with non-stop service in 95% of the markets where it is available. FSS also contracts with 49 commercial travel agents for Travel Management Center (TMC) services. TMCs manage agencies' travel planning and processing and ensure that travelers use available discounts and adhere to Federal regulations and agency directives.

Performance Measure

Savings on Government travel as a percent of the total commercial value of the same volume of travel.

	<u>Percentage</u>	<u>Savings</u>
FY 1998 Baseline	68%	\$2.5B
FY 1999 Actual	68%	\$2.5B
FY 2000 Actual	70%	\$2.0B
FY 2001 Target	65%	\$2.3B
FY 2002 Target	65%	\$2.3B

Note: FY 2000 discounts were higher than expected (70%) due to continued competition in key high volume markets and additional service from "discount" air carriers that drove contract fares down. Total FY 2000 dollar savings were less than FY 1999 because services were solicited in a smaller number of markets.

Strategies

Effectively negotiate Airline City-Pair contracts to provide the best service at the lowest cost to taxpayers.

Contract for charge cards for Federal employees to use to pay travel expenses. The charge card providers will furnish detailed reports on travel expenditures to help agencies better manage their travel programs.

Contract for Travel Management Center (TMC) services, including management information reports. TMCs control costs by ensuring use of appropriate discounts and adherence to regulations. They are very similar to travel agents.

Budget Link

Travel management expenses - \$4.1 million

City-Pair contracting support is performed by, and cost recovery revenues included in, Supply and Procurement.

Verification/Validation

The weighted average of annual market-by-market airline city-pair contract fares are compared with published full coach, unrestricted fares. The commercial prices to which we compare our Airline City-Pair contract prices are listed in the commercial reservation systems and are available for review. We rely upon data provided by the Department of Defense and the travel charge card contractors in estimating the volume of Federal travel used in calculating savings.

Travel and Transportation

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of Government resources.

Performance Goal

Reduce Government transportation costs by recovering or avoiding excess charges through pre- and post-payment audits of freight and transportation charges.

FSS audits Federal freight, household goods, and air passenger transportation vouchers to recover or avoid excess charges. The audits are performed by contractors and quality-controlled by GSA. Agencies are required by law to forward paid transportation bills to GSA for post-payment audit, to identify overcharges that must be recovered from vendors. In addition, FSS audits transportation bills for client agencies *prior* to payment. This program identifies overcharges before they are paid, eliminating both the overpayment and the need for recovery. The Travel and Transportation Act of 1998, requires agencies to have a plan in place to implement the pre-payment audit process by October 1, 2000. Post-payment audits will, however, continue to be necessary for detecting and recovering overcharges not recovered during pre-payment audits.

Performance Measures

Increased cost avoidance due to pre-payment audits.

FY 1998 Baseline	\$2.6 million
FY 1999 Actual	\$3 million
FY 2000 Actual	\$4 million
FY 2001 Target	\$5 million
FY 2002 Target	\$7 million

Maintain collections from post-payment audits.

FY 1998 Baseline	\$15.7 million
FY 1999 Actual	\$17.5 million
FY 2000 Actual	\$19 million
FY 2001 Target	\$13 million*
FY 2002 Target	\$13 million

*Note: Even though FY 2000 collections were higher than expected, our target remains at \$13 million. Once Governmentwide implementation of prepayment audits occurs, there should be fewer bills with overcharges. Full implementation of prepayment audits Governmentwide, however, is not expected until FY 2002 or later.

Strategies

Work with agencies to ensure that all appropriate paid transportation bills are forwarded to GSA for post-payment audit, as required by law.

Continue to emphasize the importance of post-payment audits in harmony with and to complement the increasing use of pre-payment audits.

Accelerate and expand efforts to educate agencies on pre-payment audits, and continue efforts to recover costs not detected in pre-payment audits through its post-payment efforts.

Budget Link

Audits program appropriation - \$13.1 million.

Verification/Validation

The Transportation Accounts Receivable and Payable System (TARPS) is used to manage the transportation audit activity. FSS, in accordance with GSA IT security policy, is strengthening system controls to ensure data integrity. Certification and Accreditation review is scheduled to be completed by the end of FY 2001.

Travel and Transportation

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal

Achieve significant savings of 45% to 52% compared to commercial rates for shipment of freight and household goods and for small-package express delivery services.

The Travel and Transportation business line relies heavily on the competitive nature of the transportation industry to achieve major savings in its freight, small package express and household goods relocation programs. By consolidating civilian agency requirements, GSA brings its contractors a volume of business large enough to obtain discounts of at least 45% of commercial rates. In FY 2000 Federal agencies using GSA's transportation programs saved about \$200 million compared to commercial prices.

Performance Measure

Percentage of savings from commercial rates

Freight

		<u>Savings</u>
FY 1998 Baseline	45%	\$70.8 million
FY 1999 Actual	46%	\$65.2 million
FY 2000 Actual	46%	\$61.8 million
FY 2001:Target	46%	\$62.5 million
FY 2002 Target	46%	\$63.1 million

Household Goods

FY 1998 Baseline	47%	\$66.2 million
FY 1999 Actual	47%	\$61.0 million
FY 2000 Actual	52%	\$83.7 million
FY 2001 Target	52%	\$85.8 million
FY 2002 Target	52%	\$87.9 million

Note: GSA Household Goods discount levels had been reflected at 47%. For the current submission, however, we are using more refined data collection techniques and are able to compute a more accurate average percentage discount level (52%). Additionally, the carrier industry offered higher percentage discounts because of significant increases in tariff rates to which the discounts apply.

Small Package Express Delivery

		<u>Savings</u>
FY 1998 Baseline	45%	\$ 90 million
FY 1999 Actual	45%	\$103.4 million
FY 2000 Actual	45%	\$111.8 million
FY 2001 Target	45%	\$100 million
FY 2002 Target		*

*Note: Small Package Express Delivery savings projections are not provided for FY 2002 as FSS plans to close this measure out for Small Package Express Delivery after FY 2001. The current contract expires in the fourth quarter of FY 2001 and FSS is moving to a multiple award contracting approach so data will no longer be comparable to the base year and subsequent year actuals.

Strategies

Continue to negotiate reduced rates for freight transportation and movement of household goods. Although GSA has achieved significant percentage discounts over the life of the freight and household goods programs, these discount levels have pretty well reached the maximum the market will bear. As affirmation of this, discounts offered for commercial arrangements for household goods transportation under the Government-wide Employee Relocation Services Schedule are equal to the average percentage discount the moving industry offers under GSA's Centralized Household Goods Traffic Management Program (CHAMP). Additionally, any increases in the Government percentage discount level likely would be offset by industry increases in the tariff rates to which these discounts apply.

Establish closer, more interactive relationships with the freight and household goods industries so that customer needs and industry concerns can be fully addressed as Government requirements continue to change.

Budget Link

Transportation expenses for support will be \$3.4 million; contracting support is performed by and cost recovery revenues included in Supply and Procurement.

Verification/Validation

Freight savings. Carriers file rates that are specified in terms of discounts off of a baseline rate table. Federal agencies can select carriers based on the rates they file.

Household goods savings. Carriers file rates that are specified discounts off a household goods carrier Government rate tariff which incorporates rates equivalent to commercial tariff rates. For Household goods shipments, agencies generally consider both cost and quality.

Small package express delivery services. Prices are compared with commercial prices for similar-services and shipment volumes.

Travel and Transportation

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes

Performance Goal

Increase customer satisfaction with FSS travel and transportation programs.

Performance Measure

To gauge customer satisfaction with its performance, FSS contracts biennially with a professional, private-sector survey organization to poll its customers throughout the country and at U.S. installations overseas. FY 1999/2000 was the first year that this surveying approach was used for the Travel and Transportation business line, employing a 7 point rating scale. Previously, this business line conducted a survey in-house, using a different scale. Because the results could not be recomputed to make valid comparisons, we established the FY 1999/2000 results as the baseline. In this survey, the issues tracked include quality of products/services, timeliness, responsiveness to inquiries and issues, ease in use of FSS, courtesy of our staff and that of our contractors, and accessibility of information to help customers make decisions, reach solutions or resolve concerns.

The most recent poll showed 97% of FSS Household Goods customers as "satisfied" (*ratings of 3 to 7 on a 1-to-7 scale*); 88% were "highly satisfied" (*ratings of 6 and 7 on a 1-to-7 scale*.) Only 3 % registered dissatisfaction (*ratings of 1 and 2*). For our Freight program, 100% were satisfied (ratings of 3 to 7 on a 1 to 7 point scale); 67% were highly satisfied and none registered dissatisfaction (1 or 2 ratings). For our Travel Management Center program, 97% of our ratings were within the satisfied range, 59% were highly satisfied and 3% registering dissatisfaction (ratings 1 or 2).

Freight

FY 1999/2000 Baseline	67%
FY 2001/2002 Target	69%

Household Goods

FY 1999/2000 Baseline	88%
FY 2001/2002 Target	88%

Travel

FY 1999/2000 Baseline	59%
FY 2001/2002 Target	61%

Strategies

Transportation

Use past performance data and best value concepts to help customers choose freight and household goods carriers that will meet their needs.

Automate as many facets of traffic management as current and future technology will support. As a first step, we have activated an Internet version of GSA's Interagency Transportation Management System (ITMS). "ITMS on the Web" makes it easy for agencies to obtain cost comparison information for rating and routing both freight and household goods shipments.

Travel

Awarded contracts (in FY 2000) to 49 firms for travel management services, covering arrangements for over \$500 million in annual air sales. The new contracts cover service on a nationwide basis or by various geographic areas. The contractors have offered “ceiling” prices for transaction fees and additional fees for optional “value-added” services. This new approach will provide choices to customer Federal agencies, allow access to advances in technology, and allow for flexibility in the face of structural changes in the travel agent industry.

Continue to work closely with customer agencies as they identify their requirements and select their preferred vendors based on an evaluation of vendor prices and services.

Continue to develop electronic tools that contractors and customers can use for submitting and tracking travel management data.

Improve surveying techniques. In the past, survey respondents have replied with comments regarding airline pricing and scheduling. We plan to develop and conduct a survey targeted to the customer that places and administers the task order for Travel Management Center (TMC) services. Analysis of responses from this audience is a better indicator of customer satisfaction with the TMC program itself and will provide a basis for identifying areas for program improvement.

Budget Link

Travel and Transportation expenses of \$7.5 million; with transportation audits appropriation of \$13.1 million.

Verification/Validation

Customer surveys are performed and results validated by a private sector polling organization, EDS Government Consulting Services.

Travel and Transportation

GSA	
Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal

Increase the percentage of audits performed electronically.

The audit of transportation bills has traditionally been a paper-intensive process. GSA's largest client, the Department of Defense (DOD), and some civilian agencies, have been moving toward electronic forms of payment for transportation. It is therefore important for GSA to be able to audit these transactions electronically, keeping pace with the shift.

Performance Measure

Percentage of audits performed electronically.

FY 1998 Baseline	10%
FY 1999 Actual	25%
FY 2000 Actual	40%
FY 2001 Target	50%
FY 2002 Target	60%

Strategies

Increase electronic audit transactions and adopt CD-ROM record retention capability. Work with DOD on electronic transportation acquisition.

Collaborate with DOD and civilian agencies and adapt to an electronic transaction environment. This includes, in part, agreeing on standards and procedures.

Budget Link

Within the Transportation Audits appropriation of \$13.1 million.

Verification/Validation

The Transportation Accounts Receivable and Payable System (TARPS) is used to manage the transportation audit activity. FSS, in accordance with GSA IT security policy, is strengthening system controls to ensure data integrity. The certification and accreditation review is scheduled for completion by the end of FY 2001.

Personal Property Management

FSS specializes in comprehensive personal property disposal solutions. Property no longer needed by one agency may fill a need in another, thereby avoiding new procurements. Property with no further Federal use is offered at no cost to State and local governments and eligible nonprofit groups. Property whose value cannot be extended by reuse or donation is sold to the public.

The Personal Property Management business line saved taxpayers over \$3.2 billion in Fiscal Year 2000. This exceeded our projected \$1.6 billion target by a hundred percent. This unusually high dollar value was due to a major increase in computer and ADP transfers during the Y2K transition and a reduction in the U.S. Army Fleet that resulted in an increase in aircraft transfers. We project savings for the years ahead will be comparable to historical averages.

Government regulations require that Federal agencies use excess personal property—which is no longer required by the holding agency—as their first source of supply whenever practicable. FSS transfers this property at no cost to the receiving agency.

When excess personal property is no longer required for Federal use and is not redistributed, it is declared surplus and made available for donation to public agencies and qualifying nonprofit entities. There are approximately 70,000 tax-supported organizations which receive donations of Federal surplus property, including schools, day care centers, hospitals, homeless shelters, senior citizen organizations and programs, vocational training facilities, fire and police departments, drug treatment and rehabilitation programs, and other State and local organizations. Federal and State customers can locate property by using the Federal Disposal System (FEDS), our electronic reporting, searching, and transferring system. This system is user-friendly and Internet accessible. Access to the system can be acquired by contacting an Area Property Officer or one of our Regional Offices. The Agency Asset Management System, a modified version of FEDS, has been made available to Federal agencies on a fee-for-service basis, for use as an agency internal screening system.

As part of its disposal services, FSS offers executive agencies a non-mandatory selling service for surplus, exchange/sale, and seized and forfeited property on a cost recovery basis. Proceeds remaining after the cost of the sale are returned either to the holding agency or the U.S. Treasury as mandated by Government regulation. FSS has expanded its selling service to include on-line auctions. The general public is now able to view and bid on Federal surplus property via the Internet at our auction site www.gsaauctions.gov.

The Property Management program also administers the Foreign Gift Program, providing guidance and property control for gifts and decorations (such as medals) presented to Federal employees by foreign governments. We also oversee the Treasure Trove Program that covers research and excavation of historic artifacts and precious metals on Federal property.

The Property Management program's operating expenses for FY 2002 are anticipated at \$27.2 million, of which \$11.1 million is a Congressional appropriation for the Utilization and Donation programs. The remaining \$16.1 million is associated with the Sales program and flows through the General Supply Fund. Included in the amount for the Sales program is \$1.2 million that represents Furniture Reclamation Center expenses.

Performance goals for FY 2002 aim to maximize cost avoidance through property reuse, maximize proceeds from the sale of surplus property, contain costs, advance Internet accessibility of excess and surplus property, and increase customer satisfaction.

Personal Property Management

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the Government's return on investment.

Performance Goal

Maximize cost avoidance through reutilization and donation of excess Federal personal property.

"Cost avoidance" represents money not spent for new personal property because excess property was used instead. GSA promotes the maximum reutilization of property, but it cannot directly affect the volume of property that agencies declare as excess. Estimates of excess property are based upon historical data.

As a result of budget constraints and the expansion of authority to use proceeds for property replacement (exchange sale), more agencies are disposing of the higher value property through sales and utilizing the proceeds towards new procurements. When this happens, the properties do not go through the utilization and donation phases of the disposal process. As a result, we anticipate that property of lesser value will be moving through our disposal system, however the overall volume of transactions that impact workload will only be slightly affected.

Performance Measure

New expenditures avoided through reutilization of excess property and donations of surplus property as reported by the Federal Disposal System (FEDS).

FY 1998 Baseline	\$1.7 billion
FY 1999 Actual	\$1.9 billion
FY 2000 Actual	\$3.2 billion*
FY 2001 Target	\$1.6 billion
FY 2002 Target	\$1.6 billion

*Note: GSA exceeded its target for FY 2000 because of major "one-time-only" property transfers involving computers and aircraft.

Strategy

Maximize the visibility of property available for reutilization and facilitate the transfer process. Make it easy for those eligible to receive property to know what property is available through the Area Property Officer network and the Federal Disposal System (FEDS).

Extend the visibility of property to State and local governments and eligible nonprofit entities and ensure its fair and equitable distribution.

Budget Link

\$11.1 million appropriation, part of Policy and Operations.

Verification/Validation

Reports on transferred and donated property are generated by the Federal Disposal System (FEDS). These reports include acquisition values as reported by Federal agencies. FSS, in accordance with GSA IT security policy, is strengthening system controls to ensure data integrity. The FEDS certification and accreditation review is scheduled for completion in September 2002.

Personal Property Management

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the Government's return on investment.

Performance Goal

Control costs while effectively performing utilization, donation and sales services.

As a result of budget constraints and the expansion of authority to use proceeds for property replacement (exchange sale), more agencies are disposing of the higher value property through sales and utilizing the proceeds towards new procurements. When this happens, the properties do not go through the utilization and donation phases of the disposal process. As a result, we anticipate a decrease in the value of the property moving through these programs; however, the overall volume of transactions that impact workload will only be slightly affected. In addition to the decrease in higher dollar value property moving through the disposal system into the sales program, the transfer of GSA Fleet vehicle sales to FSS' Vehicle Acquisition and Leasing Service business line also affected sales volume. This shift was made in order to consolidate the full array of services, acquisition, management and disposal, within that business model. This change will significantly affect future targets for this measure.

Performance Measure

Dollar volume of Utilization/Donation transfers per FTE.

FY 1998 Baseline	\$16.7 million
FY 1999 Actual	\$17.9 million
FY 2000 Actual	\$30.2 million*
FY 2001 Target	\$15.2 million
FY 2002 Target	\$15.2 million

*Note: GSA exceeded its target for FY 2000 because of major "one-time-only" computer and aircraft transfers.

Sales proceeds per FTE.

FY 1998 Baseline	\$0.54 million
FY 1999 Actual	\$1.10 million
FY 2000 Actual	\$1.49 million
FY 2001 Target	\$0.62 million**
FY 2002 Target	\$0.67 million**

**Note: The FY 2001/02 targets reflect the transfer of GSA Fleet vehicle sales to FSS' Vehicle Acquisition and Leasing Service business line.

Strategy

Make use of electronic technology, i.e. FEDS, the Agency Asset Management System (AAMS) and the automated interface between FEDS and the Sales Automation system (SASy) to increase efficiencies and move towards a "paperless" process to the extent possible.

Budget Link

\$11.1 million for utilization/donation (Policy and Operations appropriation) \$16.1 million in direct operating expenses (General Supply Fund) for the sales program.

Verification/Validation

For Utilization and Donation: Total dollar volume (at original acquisition value) of Utilization/Donation transfers is divided by on-board operational FTE. FEDS is the source for volumes. FSS, in conjunction with GSA IT Security policy, is strengthening system controls to ensure data integrity. The FEDS certification and accreditation review is scheduled for completion in September 2002.

For sales: Customer agency sales proceeds are divided by on-board operational FTE. SASy is the source for sales proceeds data. FSS, in conjunction with GSA IT Security policy, is strengthening system controls to ensure data integrity. The SASy certification and accreditation review is scheduled for completion in September 2002.

Personal Property Management

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Continuously improve relationships with our customers by developing a thorough understanding of their concerns, anticipating their needs, and finding creative solutions for them.

Performance Goal

Increase customer satisfaction with Personal Property Management services.

The Personal Property Management program conducts biennial surveys of its customers to determine their level of satisfaction with FSS property utilization, donation and sales programs. In the most recent survey, 96% of FSS customers reported they were satisfied (*ratings of 3 to 7 on a 7 point scale*); 68% reported they were "highly satisfied" (*ratings of 6 or 7 on a 1-to-7 point scale*) exceeding the FY 1999-2000 target by 3%. Only 4% reported dissatisfaction (*ratings of 1 or 2*).

Performance Measure

Percentage of respondents who report being "highly satisfied"

FY 1997/1998 Baseline:	63%
FY 1999/2000 Actual:	68%
FY 2001/2002 Target:	68%

Strategies

Increase communication with customers via Internet, mail, focus groups, conferences and other appropriate channels, keeping customers at all levels up-to-date on our programs and services.

Participate in meetings hosted by customer organizations such as the Interagency Committee on Property Management, National Property Management Association, National Association of State Agencies for Surplus Property, and the Users and Screeners Association.

Offer to Federal customers comprehensive disposal solutions to meet their personal property disposal needs. This includes involvement of customers in improving operational processes, including the Federal Disposal System (FEDS), to facilitate property transfers, an Agency Asset Management System (AAMS) for their internal management of personal property, and GSA Auctions to expedite sales of Surplus Property. Customer satisfaction will be reflected by agencies' buy-in to AAMS, increased reliance on FEDS, and increased use of GSA as their sales agent.

Assess our progress in customer satisfaction, particularly with regard to electronic reporting, visibility of property, and timeliness of the sales process.

Budget Link

Within target resources \$11.1 million for utilization/donation (appropriation) and \$16.1 million in direct operating expenses for the sales program.

Verification/Validation

EDS Government Consulting Services, a private professional survey firm, provided results for FY 1999-2000. EDS worked with FSS in developing the customer satisfaction survey by conducting interviews with FSS employees, reviewing relevant reports and literature, and outlining the survey goals. EDS then worked with the Personal Property points-of-contact to gather information on the customers to be

surveyed. A survey was developed and pilot-tested with Personal Property customers before it was administered to the entire sample to ensure that it was user-friendly and could be completed quickly.

Management Challenges and Solutions

Supply and Procurement

Much has changed in the Federal contracting arena over the last six years with the passage of the Federal Acquisition Streamlining Act of 1994 and the Clinger-Cohen Act of 1996. These statutory provisions have institutionalized the preference for the use of commercial services, products and practices in Government contracting.

FSS is committed to this preference for the use of commercial services and products, and commercial practices in Government. Also, FSS is committed to using the leverage inherent in centralized contracting, the Internet and the tools of electronic business. We will continue to meet the service and product needs of Federal employees anywhere in the world while honoring the Government's socioeconomic and environmental commitments as they pertain to procurement.

Our customer base has evolved from a relatively small group of procurement or supply professionals to a broad base of Government employees. The new customer base includes thousands of consumers from charge cards holders to program managers. This represents a significant challenge in educating customers about the advantages and use of FSS' full and self-service programs. Customer education is critical to our success. While we simplify our programs, we must ensure that our messages are clear and reach all Federal customers. To focus more clearly on the differences in how customers use our programs, the Supply and Procurement business line will split into the Commercial Acquisition and Supply business lines. The transition started in FY 2001 and will be completed in FY 2002.

As we implement commercial practices and streamline buying for our customers, the FSS contracting workforce will play a more complex role in the 21st century. Contracting officials will move from a traditional procurement role to that of business advisors. Under the Clinger-Cohen Act, all contracting personnel hired in the future must be college graduates or have 24 hours of business related courses at the college level. This standard places the Government in a more competitive and challenging hiring position. In addition, the rapid growth of electronic commerce and the rate of change make it important to recruit people with skills in line with such advances. There are also challenges placed on the existing workforce with changes in technology – in dealing with the pace of change and delivering programs to our customers. We need to make sure we have the appropriate skills and that these keep pace or stay ahead of anticipated changes and customer needs.

Supply Distribution System

The February 20, 2001 Decision and Order of the Federal Service Impasses Panel (FSIP) supported GSA's March 20, 2000, decision to consolidate stock program distribution operations in Burlington, New Jersey and Stockton, California. GSA will proceed with closure of distribution sites located in Palmetto, GA; Ft. Worth, TX, Franconia, VA; Chicago, IL; Denver, CO; and Auburn, WA.

Consolidation will affect approximately 271 Federal employees (also 181 contract positions). Estimates of Federal positions by site are: Palmetto – 108, Fort Worth – 118, Franconia – 31, Chicago – 3, Denver – 4, and Auburn – 7. A Logistics Management Institute analysis cited experience with base closures to estimate that 40% of employees in affected positions could be reassigned or transferred. Employee impact should be further mitigated through GSA's buyout authority, which runs through April 30, 2002. GSA also has early out authority that currently expires April 30, 2001, but an extension will be considered during implementation planning. Implementation plans will also include additional assistance for employees in accordance with GSA's collective bargaining agreements with the American Federation of Government Employees and, where appropriate, with the National Federation of Federal Employees. For employees not otherwise placed, Federal reduction-in-force (RIF) procedures will be followed. The Federal Supply Service is now developing implementation plans based on the FSIP Decision and Order.

Vehicle Acquisition and Leasing Services

FSS is committed to furthering environmental quality and encouraging the use of alternative fuel vehicles (AFVs). Critical issues include the cost of these vehicles, availability of maintenance, repair, fueling and resale value. While traditionally, FSS has been able to provide AFVs without undermining its financial posture, there are concerns that the increased use of AFVs would increase the capital cost of vehicle purchases and fleet operations and decrease disposal proceeds. The lack of adequate maintenance, repair and refueling infrastructures are also challenges that FSS will have to continue to tackle in the coming years.

Travel and Transportation

Travel agents are facing extraordinary challenges as technological advances change traditional airline distribution patterns and airlines seek to control their distribution costs. The September 1997 cut in airline commissions from 10% to 8% was in addition to earlier commission caps on domestic transactions. A further reduction to 5% occurred in October 1999. Previous travel management services contracts with travel agents have been at no cost to the Government, and in many cases included provisions for rebates to customer agencies. We can no longer expect a no-cost approach to contracting for these services. Travel agents now typically negotiate fee-based arrangements with their corporate clients; our new contracts allow for such arrangements. We have contracted for future travel management services in a way that provides choices to our customer agencies, allows access to advances in technology, and allows for flexibility in the face of continued structural changes in the travel agent industry. GSA worked closely with its customers and travel industry partners to create a procurement approach that provides "best value" for the Government, while fairly compensating travel agencies.

TMC Trak, implemented in Spring 2000, is an information management system for travel management data related to the master contracts for travel management services. The new system is available on the Internet for use by vendors, customers, and GSA staff. In the past, TMCs submitted business volume data (ticket sales, car and hotel bookings, etc.) in hardcopy to GSA on a quarterly basis. TMC Trak allows for electronic submission of this data, as well as providing an up-to-date list of vendor and customer points of contact and the ability to query the system for ad hoc and standard reports.

GSA's travel customers' requirements are changing as fast as the automated systems in the travel industry. The new contracts for travel management services include on-line booking and electronic management reports, and allow for the incorporation of further advances in technology as they emerge.

GSA personnel will be exploring innovative ways to revitalize government-wide transportation management processes and services, many of which are cumbersome and tradition-bound. Simplification, adoption of private sector practices and out-sourcing will be options explored as we confront the need to provide quality and economy in transportation services while acknowledging diverse customer requirements and the scarcity of transportation professionals.

The Travel and Transportation Reform Act of 1998 requires agencies to have a plan to implement pre-payment audits of transportation bills in place by October 1, 2000. Post-payment audits by GSA will continue only to the extent that it is not feasible for agencies to perform pre-payment audits and as a check of pre-payment audit accuracy. The purpose of the pre-payment audit requirement is for the Government to identify transportation overcharges before bills are paid recognizing that it is better than first paying the carrier and then trying to recover overcharges.

Post-pay audit collections probably will not significantly decline until FY 2003 or FY 2004, for several reasons, primarily among them that more and more transportation services are being bought with charge cards, which are not subject to pre-payment audits. Another reason is the time lag in setting up pre-payment audit programs. Moreover, bills for post-payment audit are received as much as 18 months after the date the transportation services took place. The law allows the Government 3-years to identify and issue overcharges after the transportation services occurred. Some bills are not audited until near the end of the 3-year window.

Another factor that will maintain post-payment collections for some time is the strategy chosen by some agencies to pre-payment audit bills on a sample rather than 100% basis. This means that those bills not in the sample will require post-payment audits by GSA. GSA's audit workload is expected to shift to overseeing the pre-payment audit process. This means that when GSA performs the post-payment audit both the bills in the sample and a certain percentage of other bills will contain errors. Additionally, a marked spike in pre-payment audit protests and carrier claims is expected as pre-payment audits increase, mainly because the carriers will receive fewer and fewer excessive payments. In the midst of this shift to a pre-payment audit environment, the Government is increasingly moving to the payment of transportation costs via charge cards. GSA will arbitrate all pre-payment audit disputes and handle subsequent litigation.

Personal Property Management

FSS uses the Internet-accessible FEDS system to maximize the visibility of excess and surplus property so that unnecessary tax dollar outlays can be avoided. Securing the resources to invest in its enhancements would ensure that we are making property visible and accessible to Federal agencies and State and local governments to the greatest extent possible using today's technology.

A matter of continuing concern is that, as we move toward an era of "e-government" in which there will be an environment of greater reliance upon electronic screening and disposal methodology, there is the growing possibility of the creation of a gap between those with electronic savvy and those who are lacking in "e-commerce" resources and expertise.

Ensuring that there is equitable distribution of property to eligible State and local entities is of paramount concern. FSS will continue to be diligent in overseeing this process.

Another continuing challenge is that of maximizing visibility of assets by improving descriptions to enable "acquisition" decisions based solely on electronic access to property. While we are developing the capability to accept pictures to enhance descriptions, the challenge remains to get reporting agencies to improve descriptions and provide pictures with their reports of excess property.

Cross-Cutting Programs

Supply and Procurement

FSS works closely with the Department of Energy and the Environmental Protection Agency to meet the requirements of environmentally related Executive Orders, making it easy for agencies to comply with these orders by buying through FSS. For example, FSS offers more than 5,000 environmentally responsible products, making it easy for Federal agencies to "buy green."

FSS chairs a Federal Acquisition Regulation Committee with representation from the Department of Defense and five civilian agencies. This committee makes recommendations on the Federal Supply Schedules Program and is currently looking at issues affecting the small business community. The Interagency Committee for the Review of Federal Supply Schedules meets biannually to discuss issues affecting the Schedules Program. Representatives from 50 agencies attend these meetings.

FSS has agreements in place with the Departments of Defense, Interior and Agriculture to support the Wildfire Suppression Program, and works with the Federal Emergency Management Agency on a continuing basis to ensure that supplies are available for high-level response and service during national emergencies.

FSS works with Javits-Wagner-O'Day (JWOD) Act workshops and the Federal Prison Industries to make their products and services available to other Government agencies as provided by law.

Vehicle Acquisition and Leasing Services

FSS works closely with its customer agencies to assist them with the alternative fuel vehicle (AFV) purchase requirements of the Energy Policy Act of 1992 (EPACT). EPACT mandates the use of AFVs by Federal agencies. The Office of Vehicle Acquisition and Leasing Services has purchased over 36,000 AFVs for its customer agencies and provides planning and support services to help agencies meet their AFV requirements.

FSS and the Department of Energy (DOE) work together to manage the Federal Government's AFV Program. The program supports the expansion of alternative fuel infrastructure by concentrating Federal AFV acquisitions in six selected cities: Albuquerque, NM; Denver, CO; Melbourne-Titusville, FL; Minneapolis, MN; Salt Lake City, UT; and San Francisco, CA.

FSS helps Federal customer agencies in these program areas "drive green" by paying half of the incremental cost funding for AFV acquisitions and by providing AFV planning services. FSS has committed up to \$4 million in matching funds to show GSA's strong support for this program. In addition, we will continue to work closely with all agencies, automotive manufacturers, alternative fuel providers, and DOE to ensure successful implementation of the AFV program. Agencies can look to us to help them meet their goals whether they choose to buy or lease AFVs.

Striving to improve fleet management throughout Government, Vehicle Acquisition and Leasing professionals actively participate in interagency groups and trade associations to keep abreast of agency needs and industry trends.

Travel and Transportation

The travel and transportation business line supports the Department of Defense's (DoD's) emergency/contingency mobility requirements by including a requirement for air carrier membership in the Civil Reserve Air Fleet (CRAF) in contracts for the Airline City-Pair Program. CRAF members contractually pledge their airlift resources to support DoD mobility requirements in times of emergency or contingency in return for a portion of DoD's peacetime airlift business.

FSS facilitates and provides technical support to the Federal Civilian Agencies Household Goods Relocation Committee that includes major users of FSS' household goods program. The Committee meets regularly to discuss current household goods issues and initiatives (e.g., move management services and simplification of household goods line haul rates.)

Personal Property Management

FSS offers full government sales service to auction surplus and exchange/sale Federal property for Federal agencies. The site, www.gsaauctions.gov, will offer the general public the opportunity to bid electronically on a wide array of Federal assets. The auctions are completely web-enabled, allowing all registered participants to bid on items or lots of items within specified timeframes.

In partnership with the Department of Energy, the Property Management business line developed an internal system for intra-agency screening and redistribution of excess personal property and automated transfer of data on unneeded property into the FSS centralized Federal Disposal System (FEDS). This eliminates duplication in screening systems and data entry and consolidates information on excess property in a single system. We have made this service available to other agencies on a case-by-case basis under fee-for-services arrangements. The Department of Commerce has utilized this new opportunity and their system was implemented in July 2000. Building on this success, we are working with two other executive agencies that have indicated a strong interest in this service.

Because it serves all levels of government, the Property Management business line is cross-cutting by nature. Property Management employees actively participate in the Interagency Committee on Property Management and in meetings and seminars hosted by other groups, including the National Association of State Agencies for Surplus Property, the National Property Management Association, and the Users and Screeners Association. Property Management works closely with GSA's Office of Governmentwide Policy (OGP) to further the benefits of effective asset management. In addition, Property Management is actively involved in working, along with other agencies, to complete short- and long-term initiatives proposed by the OGP Strategic Planning Panel.

Through the Integrated Solutions program, which is administered by GSA's Public Building Service (PBS), regional property management staffs work closely with their PBS counterparts to present "one face to the customer". Both work to perform as one GSA to meet the customer's needs in dealing with relocations, installation closures or setting up new office facilities.

External Factors

Supply and Procurement

We work closely with various industry associations. We also work closely with our customer Federal agencies to understand their needs.

Vehicle Acquisition and Leasing Services

Disruptions in the automotive industry could affect our performance. For example, in fiscal year 1999, there were shortages of trucks equipped with automatic transmissions. Other factors could include plant strikes and fluctuations in the commercial market that affect product availability.

The number of vehicles required by our current and potential customers could be reduced by further downsizing in agencies that lease vehicles from the interagency fleet and by contracting out of functions previously performed by government employees. Fluctuations in per-mile costs are greatly dependent on inflationary factors and can impact all cost components. Efforts to improve the environment may offset the additional costs associated with alternative fuel vehicles. However, product availability and a limited maintenance and refueling infrastructure will affect their use in the immediate future.

Travel and Transportation

FSS is keenly attuned to the need to anticipate changes in the travel industry and in customer needs. The radical change in the travel agent-airline industry relationship, for example, has called for a significant change in the way we contract for travel management services. We addressed this by adopting a fee-based approach to contracting for these services. Market forces will determine the level of service and savings in travel and transportation worldwide. We are strengthening our ties to industry in order to anticipate and keep pace with travel and transportation trends. Emerging technologies and automated systems in the travel industry have changed the way our Federal customers are ordering travel management services. We have seen a shift towards using central call centers and electronic booking for making travel arrangements. Many of our customers now order travel management services on a nationwide basis in order to leverage their buying power and streamline their travel payment and administration processes.

Agency downsizing and resource reallocations have left many agencies without administrative personnel to administer employee relocations, including moves of household goods. With increasing frequency agencies are turning to outsourcing for this very important and time consuming process. The FSS Centralized Household Goods Traffic Management Program (CHAMP) fills the need for household goods move management services (MMS), and the Government Employee Relocation Services Schedule provides a full menu of relocation services, including home sale and MMS.

Personal Property Management

Levels of property utilization and donation and their subsequent savings through cost avoidance are dependent upon the volume of property reported available by Federal agencies for reutilization, which becomes eligible for donation and sale. If the amount of excess property and/or its quality are significantly below estimates, the cost avoidance from transfers and the proceeds from sales may be lower than the performance goals.

Program Evaluations or Major Studies

FSS has embarked on a comprehensive study of performance measurement, corporately and at the business line and support organizational levels. The Logistics Management Institute (LMI) has been engaged to conduct this comprehensive project in collaboration with working groups from each sector. Results may affect the measures used within future FSS sections of the GSA Performance Plan as well as internally used measures and related performance incentives.

Supply and Procurement

Supply Distribution Centers

FSS supply distribution centers have provided a cost-effective source of products to Federal customers over the last 50 years. However, the long-term declining trend in sales, intensifying competition from commercial sources, and an increasingly complex array of customer demands created a situation requiring comprehensive review.

Along with our labor partners, the American Federation of Government Employees (AFGE) and the National Federation of Federal Employees (NFFE), we have spent significant time since October 1999, studying the supply system and sharing information. GSA engaged LMI to determine the most cost-efficient and effective supply chains that meet customers' needs and to compare them to the current system of FSS. At AFGE's request, LMI worked with two experts from the Harvard Business School as this study proceeded. LMI reported in February, 2000, that GSA can generate savings for its customers and maintain current service levels by reducing the number of distribution centers, improving their efficiency, and partnering further with the private sector to supply items Federal customers buy from GSA today.

FSS and its labor partners agreed to create a new FSS business line organization to better focus upon FSS-directed product distribution. The new Office of Supply will manage the ongoing evolution of FSS product delivery systems on behalf of its full-service customers in the general direction outlined by LMI and with any additional solutions that emerge in the months ahead.

Multiple Award Schedules Program

For many decades the Federal Supply Schedules Program awarded and administered by GSA has provided a vehicle for the acquisition of commercial products and services. In the last few years many changes have been made to the Schedules Program as the program has adopted more commercial practices. GSA, as part of its management responsibility, has initiated studies to ensure that changes made to the program are adding value to the Federal Government.

At the request of GSA, LMI conducted a study and found that it takes a Federal agency an average of 268 days to put a contract in place. A few years later, Johnson and Johnson Associates conducted a study "Comparative Analysis of Customer Elapsed Time Savings." The Study found that it takes a Federal agency an average of 49 days to make a similar purchase using the GSA schedule. The changes to the schedules program have moved the Government closer to real-time commercial buying practices and by doing so have significantly reduced acquisition time and have increased the efficiency of the Government, which reduces costs to the taxpayers. GSA, in conjunction with the Office of Federal Procurement Policy, is now working with the Information Technology Resources Board to study inter-agency contract vehicles for information technology, including Multiple Award Schedules.

We developed the Multiple Award Schedules Program Owner's Manual as part of our continuous efforts to improve the program. The manual provides customer information on how to use the program. It was developed in recognition that procurement is not just following rules and regulations but is the process of developing efficient acquisition strategies to better enable agencies to meet their missions.

With changes being made to the program, FSS provides continuous and significant outreach designed to educate our customers through such resources and programs as: GSA Expo Multiple Award Schedule conferences, mass mailings, and meetings with and letters to Senior Procurement Executives announcing changes. GSA will make greater efforts to educate and assist its customers about the ordering procedures and the benefits of the program in managing their purchases.

In FY 1999, the Office of Inspector General concluded an audit of the cost recovery funding of the Schedules Program to answer the following question: "Does the fee provide a reasonable level of revenue for the Schedules Program and do the controls for the collection process promote accurate and timely reporting of fees? The audit suggested that the cost recovered in just one center exceeded expenses and offered recommendations which FSS addressed in its response to the audit, indicating the reasons why the current approach was best suited to the circumstances and the complexities of this broad-ranging program. In a July 7, 1999 report, the General Accounting Office stated that: "The applicable Federal statute gives GSA discretion in determining how it is to achieve full cost recovery on products and services sold through the General Supply Fund." Based on the above and the fact that FSS is currently in the midst of restructuring with the creation of the Office of Enterprise Planning and the Office of Supply, FSS has no plans to adjust the 1 percent fee.

The GSA IG reviewed GSA's Fiscal Year 1999 Performance Plan and provided comments on the Multiple Award Schedule Program. The IG is concerned that changes made to the schedule program to implement the Federal Acquisition and Streamlining Act and the Clinger Cohen Act may not result in fair and reasonable prices for Federal customers. They believe a shortcoming in our performance plan is that the plan does not have goals related to pricing. (Since the report was issued the IG has said that this problem may be exacerbated by changes FSS had made to the schedules program such as establishing long-term contracts and corporate contracting. It should be noted that both of these program changes are commercial practices.)

The IG said in their report that identifying benchmarks and measurements relating to pricing for the diverse products and services offered from the MAS is a daunting task. We agree. The IG went on to say that as part of its (FSS) continuing efforts to improve its service, as well as, obtain the best value for its customers, the Federal Supply Service has engaged a consultant to review its performance measures. They recommended as part of this process that measurements for determining best value, including pricing, should be developed.

Many factors need to be taken into consideration in determining best value, including administrative cost/savings and price. We know from previous studies that there are administrative time-savings benefits to Federal agencies when using Schedules. Price, FSS addresses in a twofold manner. When we negotiate Schedule contracts, we determine prices to be fair and reasonable before award. Secondly, provision has been made in policy and procedures that encourages agencies to request and take advantage of better prices should additional savings opportunities be available at the time of their placing orders.

We agree with the IG that the objective is daunting and have nonetheless requested that the Logistics Management Institute (LMI), who is working with us on performance measures, provide assistance in evaluating feasibility and approaches. Once the input from LMI is received we can determine the next step to determine if and how this should be addressed in future goal-setting.

In November 2000, GAO issued a report "Contract Management, Not Following Procedures Undermines Best Pricing Under GSA's Schedule". The General Accounting Office (GAO) reviewed 22 orders that the Department of Defense placed against Federal Supply Schedule contracts. GAO found that DOD did not follow GSA's established procedures for purchasing services. GAO recommended that GSA provide additional guidance on purchasing services to agencies and promote more competition. Action is already underway to incorporate procedures in the Federal Acquisition Regulations.

In January 2001, the GSA IG issued a report: "Limited Audit of Federal Supply Service's Contracting for Services Under Multiple Award Schedule Contract". The review found that schedule contracts for

services are extremely popular with Federal agencies. The benefits include a streamlined procurement process which result in faster delivery of needed services. Further, the IG addressed changes that FSS is making to the program (increased training for procurement personnel, placing servicing ordering procedures in the FAR, emphasis on past performance information) and felt these proposed changes will strengthen the program.

The MAS Program closely mirrors commercial buying practices. It provides Federal customers with millions of state-of-the-art, high-quality commercial products and services at volume discount pricing on a direct delivery basis. As indicated in the November 2000 GAO report, it provides agencies with a simplified and streamlined process to obtain commonly used products and services. GSA is committed to improving the manner in which its MAS Program is utilized by customer agencies.

Vehicle Acquisition and Leasing Services

In February 2000, the General Accounting Office released a report titled, "Limited Progress in Acquiring Alternative Fuel Vehicles and Reaching Fuel Goals." The intent of the report was to measure progress of reaching petroleum displacement goals as defined in the Energy Policy Act of 1992 (EPACT). The report examined alternative fuel vehicle (AFV) acquisitions and alternative fuel use by Federal agencies. GAO findings indicate EPACT's 2000 petroleum reduction goals will not be met and identified major barriers that are limiting both the acquisition of AFVs and the utilization of alternative fuels. These are the classic problems that have impeded the growth of alternative fuel vehicle program and fuel use:

- High vehicle incremental cost
- Lack of refueling stations
- High cost of developing alternative fuel infrastructure
- Regulated vehicle population is too small

According to GAO, the population of covered fleets is simply too small to meet the EPACT reduction goals. Even if all Federal, State and fuel provider* fleets were fully compliant to EPACT, their collective alternative fuel use would only make up 1% of the petroleum replacement goals. GAO estimates that a large portion of private fleets and privately owned vehicles would have to be covered under EPACT AFV acquisition mandates if the petroleum reduction goals are to be met.

In FY 2000, a final report titled "Review of controls over FSS Payments" was issued. The audit objective was to determine whether management controls were adequate to provide reasonable assurance that FSS payments are for valid purchases. The audit included an assessment of FSS purchase controls as well as payment controls. Recommendations specific to the GSA Fleet program were to increase use of point-of-sale controls for fleet services card transactions; increase analysis of fleet card data to identify potentially improper transactions; ensure follow-up on potentially improper transactions; and, ensure customers and vendors were informed about the proper use of the card.

All actions on these recommendations were completed by August 2000. Major accomplishments toward completion of the recommendations included implementation of a single non-fuel database to allow review of all non-fuel transactions regardless of method of payment; increasing customer education and access to information via the internet, and detailed reviews of all transactions both regionally and nationally.

In FY 2000, the GSA Office of Inspector General performed an audit on the Federal Supply Service's use of indefinite delivery indefinite quantity (IDIQ) contracts. For the purpose of this audit, the IG focused on multiple award IDIQ orders placed with the Office of Vehicle Acquisition and Leasing Services. The purpose of the audit was to determine if FSS' use of multiple award IDIQ contracts is consistent with the Federal Acquisition Streamline Act (FASA) and Federal Acquisition Regulation (FAR) 16.5, Indefinite Delivery Contracts. The audit found that the Office of Vehicle Acquisition and Leasing Services and

* A fuel provider fleet might be, for example, a fleet of natural gas powered vans operated by the local natural gas utility.

customer agencies must ensure that a fair opportunity to compete is provided to all vendors under our multi-vendor programs. The audit recommended: 1) that new ordering procedures be established that will require agencies to review the GSA price lists to compare prices and products for each and every IDIQ contractor of the respective vehicles; 2) that customers are provided with instructions on methods to comply with FAR 16.5, and 3) that we establish a data collection and reporting system that ensures sales are reported into the Federal Procurement Data System (FPDS). Actions were taken and this audit is now considered closed.

Travel and Transportation

We monitor the quality of contractor-performed audits of transportation bills by tracking money saved, overcharges collected, and resultant protests and claims. The relatively minimal percentage of protests and claims judged in favor of the carriers further validates this function. The overcharge detection process also helps validate the freight, household goods, travel charge card, and travel management center programs.

An Inspector General limited audit assessment of the Performance Measure for Government Airfare Savings was concluded in January 2000. It recommended that the measure's description acknowledge that the data, upon which this calculation is performed, is derived from reports of other agencies. The Performance Plan description has been revised accordingly. They also suggested the need for uniform documentation of the formula for calculating this savings. These and other measures will be subject to such documentation.

Personal Property Management

In 1999, the GSA Inspector General conducted a limited audit of the FSS performance measure for savings achieved through the reutilization and donation of excess personal property. The purpose of the audit was to evaluate the adequacy of policies and procedures to ensure the existence and completeness of acquisition cost data for the performance measure. The OIG recommended that it be made clear that we accept data as reported by Federal agencies. We have changed the description of the measurement in the FSS portion of the GSA Performance Plan accordingly. Secondly, the OIG criticized the uniformity of data collection. During the period in which the audit was conducted, FSS was performing data collection in a manual mode for a limited period of time, as it bridged to the enhanced Federal Disposal System (FEDS). Those enhancements have been implemented, and FSS is confident that the current quality of data collection would meet auditing standards.

IX. FEDERAL TECHNOLOGY SERVICE

The Federal Technology Service (FTS) provides information technology (IT) solutions and network services to support Federal agency customers. FTS is a self-sustaining group of programs funded almost entirely by reimbursements from Federal customers. FTS has undergone quite an evolution over the last decade, and FTS' telecommunication services continue to become more competitive. Beginning in FY 2000, the use of FTS contracts for long distance telecommunications services became non-mandatory. This created a even greater need for the FTS organization to become both more flexible and business-like.

FTS revenues have grown from approximately \$1.5 billion in FY 1995 to more than \$5.0 billion in FY 2000, and are expected to total approximately \$6.2 billion in FY 2002. Most of this increase is in the information technology area, in which there is a growing demand for FTS products and services.

FTS has two business lines: Network Services (for telecommunications) and IT Solutions (for information technology). Although each has unique characteristics, these business lines are beginning to blend together because of the evolving interrelationships between the IT and telecommunications markets. This convergence of business lines and the use of the IT Fund to finance FTS programs are important as FTS plans for the 21st century.

FTS began using competitive analysis studies in FY 1999 to identify new technology service offerings. Customer requirements are analyzed to select new or to enhance existing service offerings. FTS will continue to partner with industry to learn new technologies, and take advantage of acquisition reform to bring products and services to the Government marketplace as rapidly as possible.

FTS Management Strategy

IT Solutions & Network Services

To ensure that FTS is positioned to sustain and enhance its contributions to the Federal community, FTS has three overarching strategies. These strategies are integrated into the management and operations of both business lines and reflect FTS' overall approach of seeking the highest quality solutions to Federal agencies technology needs. The strategies are as follows.

FTS will focus on being customer-centric. This strategy involves providing innovative solutions and customized services to meet the IT and telecommunications needs of customers. FTS offers customers a full range of contracting vehicles, comprehensive service offerings, and "one-stop" shopping. It provides fully competed contracts, competitive pricing, technology problem resolution, and interoperability. FTS' strategy is customer driven with a focus on understanding customers' needs, helping them find the best technology solutions so that they can better serve their constituencies, and delivering superior customer service. FTS fully recognizes that our existence is reliant on our ability to provide leading edge technology solutions to our agency customers, and we are committed to giving the highest priority to our customers and their technology needs. A Customer Action Team (CAT) initiative has been established consisting of teams within FTS, that are working together to support the mission of nine major customers: the Internal Revenue Service, the Environmental Protection Agency, the Army Corps of Engineers, the Defense Finance and Accounting Service, Tribal Nations, the Department of Energy, the Defense Information Systems Agency, the Immigration and Naturalization Service, and the Army Materiel Command. This approach will grow the business of FTS by engendering customer loyalty and providing streamlined, cost effective and integrated solutions that enable our customer agencies to focus on their missions rather than on contract administration. This proactive approach will allow FTS to gather customer information and use it to provide a customized package of products and services to meet customer needs. CATs cut across FTS business lines to bring Network Services and IT Solutions together to meet customer needs.

FTS will focus on being employee-centric, recognizing that employees are its most valuable asset. FTS strives to hire and retain employees that are highly trained in the acquisition, telecommunications, and IT fields. They are a critical link in FTS' endeavors to achieve customer satisfaction and the effective procurement of technology. To create a culture in which all employees will succeed and are respected, FTS is implementing initiatives to increase communication, foster employee development and recognition, and provide the most current technology so that our workforce excels at customer service and understands agencies' technology requirements.

FTS will maintain dynamic relationships with its stakeholders and industry partners. FTS will continue its efforts to keep Congress and OMB informed of its initiatives and critical related issues. This continuing dialogue will also help identify cross-cutting technology issues that affect all agencies and departments and will provide an informed network to coordinate and resolve these issues.

FTS goals and measures focus on financing, cost control, customer satisfaction, employee development, stakeholder relations, acquisition time cycles, and new and enhanced procurement offerings. FTS goals and measures follow the "Balanced Scorecard Approach"¹ by considering four perspectives: a financial perspective, a customer perspective, an innovation and learning perspective, and an internal business

¹ Kaplan, Robert S. and David P. Norton. The Balanced Scorecard – Translating Strategy into Action. Boston: Harvard Business School, 1996.

perspective. In summary, the goals and measures strive to provide a “balanced approach” with equal focus on customer service development, employee development, and relationships with stakeholders and private sector service providers to ensure FTS' continued emphasis on results-oriented management and operations.

Network Services

Network Services provides FTS customers with end-to-end telecommunications services, including global voice, data, and video services, supporting both local and long-distance Government telecommunications users. The Network Services projected revenue for FY 2002 exceeds \$1.0 billion--\$634 million from long-distance service, and \$400 million from local telecommunications.

The wide array of service offerings, as well as a host of new advanced networking and value-added offerings, best reflect the overall success of the program. Included among the many Network Services business line successes are the following.

Achieving a better billing process by measuring its accuracy, timeliness, and customer satisfaction,

Achieving an immediate, substantive, and sustained price reduction for local telecommunications services, in particular by increasing the number of awards for Metropolitan Area Acquisition (MAA) contracts.

Providing flexibility in new contracts to allow for tailored levels of service and pricing.

Information Technology Solutions

The Information Technology (IT) Solutions business line provides all types of IT products and services, including security solutions, to its Federal clients through contracts with industry partners. IT Solutions provides a variety of ways for agency customers to buy -- through FTS contracts, through the use of Federal Supply Service Schedules², and through the contracting offices of other agencies with which the IT solutions business line has developed strategic partnering arrangements. Federal customers can choose among numerous value-added services at various levels of support. IT Solutions programs revenues have grown from \$500 million in FY 1995 to \$4.0 billion in FY 2000 and are projected to be \$5.2 billion in FY 2002.

Core Business

The IT Solutions business line helps agencies acquire, manage, integrate, and use IT resources and protect the security of Federal information. The core business of the IT Solutions business line is the reselling of industry solutions that are obtained through the award and administration of contracts with industry partners.

Concept of Operations

The underlying business goal of IT Solutions is to provide the same products or services or solutions with the same level of service at the same price to all clients, regardless of their geographic location. To achieve this goal, IT Solutions has implemented a concept of operations based on distinct service delivery and solutions development centers of expertise. Within IT Solutions these two operational areas are:

- I. **Client Support Centers (CSCs)** have a customer focus that provides direct client interface and support, issues and manages task orders against contracts, and delivers (resell) solutions to clients. CSCs act as sales and service delivery representatives to Federal customers. There are three national and eleven regional CSCs.
- II. **Solutions Development Centers (SDCs)** have a focus on IT contract award and administration. SDCs develop solutions for CSCs and other government agencies. There are four SDCs.

I. Client Support Centers (CSCs).

Regional CSCs.

The **Regional IT Solutions Services Center**, comprising the eleven regional CSCs, provide IT products and services to Federal clients located within specific geographic regions. In FY 2000, the Center introduced **Buyers.Gov**, a Web-based Government business and auction exchange. The center also adapted commercial E-commerce software to Federal standards to introduce reverse auctioning and aggregation capabilities to the Government IT community.

National CSCs.

The IT Solution business line's three national CSCs are the Federal Systems Integration and Management Center (FEDSIM), the Innovative Business Solutions Center, and the Office of Information Security (OIS). These centers provide services on a reimbursable basis and support Federal clients throughout the world.

² Schedules are Multiple Award Indefinite Quantity, Indefinite Delivery (IDIQ) contracts available to all Federal agencies worldwide that allow for direct placement of orders with contractors.

- 1) The **Federal Systems Integration and Management Center (FEDSIM)** helps agencies acquire and use information systems and technology. Its primary services focus on large-scale acquisition management and support, large-scale systems integration projects, office systems support, software management, and data center management.
- 2) The **Innovative Business Solutions Center** has various programs including the following: the Financial Management Systems Support Center helps Federal agencies evaluate, design, and implement financial and administrative systems; Seat Management provides Government organizations with a way to acquire their entire distributed computing environment; the Federal Learning Technology Center (FedLearn) provides IT-based solutions for traditional training issues encountered by Federal agency clients worldwide; and Smart Cards that offer an unsurpassed mobile computing platform for identification, authentication and administrative functions.
- 3) The **Office of Information Security (OIS)** provides worldwide information systems and infrastructure security services to Federal agencies, including conducting national security and sensitive operations. Its services range from supporting US intelligence missions worldwide to working with Government and industry to develop a secure Government information infrastructure.

II. Solutions Development Centers (SDCs).

GSA's four Solutions Development Centers develop, award, and administer contracts for use by all CSCs. Currently, centers include:

- **Applications 'n' Support for Widely-diverse End User Requirements (ANSWER) Solutions Development Center.** FTS ANSWER Contracts increased by 300% in only it's second year. Twenty-one Federal agencies placed over 600 task orders worth more than \$300 million during FY 2000 . These contracts cover a wide range of IT services, including systems analysis, requirements definition, system design, software maintenance, facilities management support services, scientific and engineering applications, network support services, and systems installation and integration. ANSWER was designed to cover many of the contracts that supported the former FISSP program, taking advantage of economies of scale and GSA's existing strengths and expertise.
- **Small Business Solutions Development Center** -- The Small Business SDC focuses on providing Federal clients rapid access to goods and services provided by the small business community. There are currently 166 8(a) contracts in place and business is booming.
- **Federal Computer Acquisition Center** -- The Federal Computer Acquisition Center (FEDCAC) delivers full-service management of computer acquisitions worth more than \$100 million and conducts full and open competitions for contracts required by FTS customer support centers nationwide.
- **IT Acquisition Center** -- The ITAC is an acquisition center of expertise providing the highest quality procurement services. The ITAC provides customized acquisition support and innovative solutions for all IT needs.

Benefits

The IT Solutions concept of operations is designed to eliminate the development of unnecessary FTS acquisition vehicles, ensures that all new FTS contracts fit into an FTS strategic acquisition plan, and makes all contracts available to all CSCs. This approach also:

- Reduces the FTS resources devoted to developing and awarding new contracts.
- Reduces the private sector resources required to respond to FTS contracting initiatives.
- Provides a broad range of contract options and alternatives to our clients.
- Establishes voluntary sources of supply for all CSCs.
- Reduces dependency on single vendors or contracts.
- Maximizes the number of industry partners.

The IT Solutions Concept of Operations has helped to increase revenue growth for FTS in FY 2000 and reduce the procurement lead-time in issuing task orders. Revenue has increased approximately 20% over last year, and the average time to process task orders is less than 14 days. The Concept of Operations has improved efficiencies for FTS by avoiding duplication, reducing the number of contracts, clarifying roles between CSCs and SDCs, and improving customer service by selling IT Solutions, rather than contracts, to Federal agencies. As a result of implementing the Concept of Operations, we have increased the number of industry partners as well as the number of new federal customers, raised the quality of contractor performance, and implemented new electronic government processes.

Offerings

Millennia Lite. Millennia Lite is comprised of four functional areas including information technology planning, studies and assessment; high-end information technology services; mission support services; and legacy systems migration and new enterprise systems development. Each of the multiple award/indefinite delivery indefinite quantity (IDIQ) contracts awarded under Millennia Lite has a base period of three years, plus award term options to extend services up to a total of ten years. The maximum dollar value for all contracts awarded under Millennia Lite is \$20 billion, and the current level of awards through mid-June 2001 is \$82.7 million. Orders under the contracts may be fixed-price, cost reimbursement, time and materials or labor hour. These contracts are available for use by all Federal agencies worldwide, and will provide our customers with a greater choice of solutions and institute partnerships with many more industry partners. The final awards under Millennia Lite series of four major information technology services were made in July 2000.

Seat Management. The FTS Seat Management contracts offer the Federal IT community reduced costs and increased operational efficiencies through adoption of the successful private-sector practice which shifts the risk and burden associated with maintaining current technology within the organization from the Government to the contractor. The contractor becomes responsible for keeping current with the rapid pace of technology change and meeting the demand for skilled IT staff who are current on the use of evolving network systems and management tools. As a result of this shift in responsibilities, Seat Management allows agencies to focus on their core business, improve service to users, control the total cost of ownership, and improve interoperability, standardization and compatibility.

In FY 1999 GSA awarded the first task order under its government-wide Seat Management Services contract to Litton/PRC Inc. at an evaluated price of approximately \$114 million over ten years of service. This will support 2,500 GSA employees in its headquarters building in the District of Columbia, and Federal Technology Service offices located in Fairfax, Virginia; Falls Church, Virginia; and Lexington, Massachusetts. Over time this task order will be extended to all GSA offices and has the potential to grow to over \$600 million for 14,000 employees. Since this first award FTS has successfully awarded additional task orders under the Seat Management Services contract. In April 2000, a task order was awarded to Federal Data Corporation to provide seat management services to 885 Peace Corps users. The Peace Corps is the fifth Federal agency to use GSA's Seat Management contract, and this latest award adds a new worldwide dimension to seat offerings.

FTS2001 Contracts. The FTS2001 contracts which provide telecommunications services to Federal agencies were awarded to Sprint and MCI WorldCom in December 1998 and January 1999, respectively. Projected estimates for these contracts are \$2.5 billion over the eight-year contract period. FTS2001 replaces the successful FTS2000 contracts and retains many key elements, especially aggressive price competition. Through GSA negotiations over the past ten years, telecommunications services for Federal customers have gone from a national average of 27 cents per minute in FY 1988 to 4.7 cents per minute

in FY 2000 under FTS2000. Under FTS2001, prices started at 4.5 cents per minute and drop to less than 1 cent per minute by 2006.

Operation SAFEGUARD. In FY 2000 FTS began managing the SAFEGUARD program, which provides a full range of professional infrastructure assurance services and products necessary for strengthening the Nation's defenses against cyber-based attacks and threats to Federal Information Systems. The FTS SAFEGUARD Program consists of multiple contract options to provide maximum flexibility through 27 industry partners. The Office of Information Security (OIS) awarded the first contract under SAFEGUARD on July 8, 1999. The first award was to Booz, Allen & Hamilton to assist the Department of Veterans Affairs with a network security plan for their transition from a private, wide area network to the FTS2001 public wide area network. The second award was to Unisys to support the Military Sealift Command, and the third award was to AverStar to support the Department of Housing and Urban Development.

The Federal Computer Incident Response Capability (FedCIRC). FedCIRC, housed at GSA, provides Federal agencies both with advance warnings of malicious activity that may affect their information systems and with a means of defense against such activity.

Access Certificates for Electronic Services (ACES). The ACES program provides technology for digital signatures. The "Electronic Signatures in Global and National Commerce Act" uses the electronic digital signature technology powered by ACES. It is a government-wide multiple-award schedule contract providing identification, authentication, and acceptance via the use of digital signature technology as a means for individuals and business entities to be authenticated when accessing, retrieving and submitting information to the Government. Three industry partners provide the services for the ACES Program. FTS manages this contract to deliver public key certificates to the general public as a way of facilitating secure access to Government services providing end-to-end security of information for citizens and the Government. Digital signature technology is viewed as one of the key enablers in eliminating costly and inefficient paper processes, while also reducing the risks associated with doing business via the Internet.

FTS Vulnerability Assessment Services (ENIGMA). The program was initiated in FY 2000 as a tool that provides the Federal Government with the means to immediately assess potential cyber vulnerabilities and exposure to attack. It operates on a fee for service basis and examines an agency's mission, organization, security policies and programs, information systems and the threat to these systems and recommends effective countermeasures.

Metropolitan Area Acquisitions (MAA). High prices and little competition previously characterized local telecommunications services but the passage of the Telecommunications Act of 1996 removed some of the legal and regulatory obstacles to competition in the local exchange markets. Competition has been slow to emerge and remains limited except in large metropolitan areas. Therefore, GSA has taken the lead to actively participate in these competitive markets. FTS awarded three separate contracts to AT&T on May 20, 1999 in the first large competitive Federal procurement of local exchange services, which includes advanced digital and networking services, in New York, Chicago, and San Francisco. The objective of the program is to lower prices to customers for standard voice service as well as switched data service and dedicated transmission service offerings through the aggregation of requirements and open competition. The first three MAAs successfully resulted in a 70% price reduction over previous Federal rates. In FY 2000, additional contracts were awarded in Buffalo, Cincinnati, Cleveland, Los Angeles, Baltimore, Atlanta, Miami, Indianapolis, St. Louis, Minneapolis, Dallas, Denver, Boston, Albuquerque, and Boise. In the coming months, an additional award is anticipated in New Orleans.

The evolution of the local telecommunications market has been most notable with an award to SBC in Boston, where an Incumbent Local Exchange Carrier offered service out of their current geographic area. Continued aggressive pricing has been achieved beyond the pilot cities of New York, Chicago and San Francisco. Customers may realize up to 66% savings over current government rates and up to 70% savings over standard business rates because of these initiatives and successes. The following examples illustrate some of the savings to our existing customers:

Health Care Financing Administration (HCFA). In San Francisco HCFA was paying \$4,571 per month for 175 lines but is now paying \$1153 per month for the same number of lines. This represents annual savings to HCFA of over \$41,000 or approximately 75%.

Department of Health and Human Services (DHHS). In Chicago DHHS was paying \$19,805 per month for 829 lines but is now paying \$4,054 per month for the same number of lines. This represents annual savings to DHHS of over \$189,000 or approximately 79%.

Internal Revenue Service (IRS). In New York City IRS was paying \$590 per month for 24 lines but is now paying \$132 per month for the same number of lines. This represents annual savings to IRS of almost \$5,500 or approximately 77%.

Washington Interagency Telecommunications System 2001 (WITS 2001). WITS 2001 will provide up-to-date and cost effective communications services to all Federal agencies and other authorized users in Washington, DC and the surrounding metropolitan area. It will offer agencies Internet and Intranet services and access arrangements. In addition, the contract will incorporate new innovative services, as they become commercially available, ensuring that WITS 2001 keeps pace with evolving technology. WITS 2001 has a four-year base, four one-year options and an estimated value of \$1.4 billion over its life. It is estimated that it could save Federal users in the Washington area \$300 million on phone charges over eight years. The new contract's prices are as much as 40 percent lower than current rates, and any commercial telecommunications service offered in the National Capital Region must be available through WITS 2001.

Federal Relay Service (FRS). FRS contract provides telecommunications services on a fee for service basis between hearing individuals and individuals who are deaf, hard of hearing, and/or have speech disabilities, enabling them to communicate and conduct business with hearing employees in the Federal Government. FRS provides domestic and international coverage to the public and to Federal agency personnel seven days a week, 24 hours a day.

The Wireless Store. The Wireless Store is a "virtual" e-commerce storefront that enables government users to have easy access to the wireless products that they need as soon as they are available in the commercial market. It is a place for government employees to buy wireless phones, pagers and satellite services and products. It makes it easier for customers worldwide to research a wide assortment of wireless communications products and to secure the best available prices and features both global land-based and satellite-based wireless products and services.

Smart Card Technology. In FY 1999 GSA began offering a program using the Smart Card technology in selected locations through the Office of Smart Card Initiatives, and in FY 2000 the program officially joined FTS. Five credit card companies were awarded contracts to provide card services to the government under GSA's SmartPay contract. FTS employees in selected offices are issued Smart Cards that are a credit card on one side with a Government photo ID on the other. The cards are used to gain access to secure facilities, access to secure computer networks, for credit card purchases and boarding airline flights. The cards carry data for public key infrastructure, digital signatures and biometric data, such as fingerprints. Smart Cards offer an unsurpassed mobile computing platform for identification and authentication. The Office of Smart Card Initiatives strives to offer the latest technology to promote the reduction of paper-based administrative systems. In May 2000, the Office of Smart Card Initiatives awarded its Government-wide Smart Access Common ID contracts to five prime contractors. The contracts have a maximum value of \$1.5 billion over ten years and have a base period of two years with two four-year option periods. These contracts will provide our government partners with a wide range of smart card applications and functionality. They will use chip card technology and support many important applications such as electronic signature, training certification, and e-commerce. The first task order was awarded in December 2000 for the Department of Veterans Affairs.

Enterprise Resource Planning. In FY 2000, FTS entered the Enterprise Resources Planning (ERP) systems arena. ERPs are commonly defined as fully integrated financial and administrative management

systems and are widely used throughout private industry. They often include modules for manufacturing, inventory, logistics, supply management, etc. We provide contractual mechanisms, project managers, systems consultants and contracting office services to supply ERP systems to Federal customers. The objective of the FTS program is to stimulate Federal agency use of ERP products and services and to encourage ERP industry vendors to enter the Federal marketplace.

Technology Enhanced Learning. The FTS University will offer high-quality training and classes in information technology and telecommunications to government IT professionals. The FTS University will not have a campus, courses will be delivered on-line, on-site, or off-site. FTS envisions a strong commitment to the best quality content, delivered by a highly reputable faculty. FTS University will make it easier for GSA customers to get excellent, affordable IT and telecommunications training and education for their employees. FTS will work with the private sector to develop curricula for certificate programs, offer courses and seminars, and present an annual training conference geared to fulfilling continuing education requirements.

Fed Learn. The Fed Learn program provides IT solutions to traditional training issues encountered by Federal agency clients worldwide. Fed Learn can help agencies provide distance learning, web-based learning, learning portals, computer-based training, collaborative groupware, student management systems, knowledge management systems, digital surrounds, decision support systems, and courseware delivery systems. Fed Learn assists agencies with the life cycle needs necessary to acquire, design, develop, implement, and manage these learning tools.

E-Commerce. GSA is employing the effectiveness of online commerce. In FY 1999, its IT Solutions Shop (ITSS) was established. This web-based electronic purchase and order tracking system, supports approximately 1,800 customers, vendors, and FTS staff. ITSS fully automates the procurement process, allowing users to place, award and track orders for any IT product or service over the Internet—from any place, at any time. In FY 2000, GSA opened an on-line Wireless Store in partnership with a leading retailer of telecommunications products and services. This store is a one-stop shop for Government employees to research, compare and acquire wireless products and services. It is also a source of comprehensive information about the latest developments in wireless technologies. It is linked to GSA *Advantage!*[™], the primary GSA online procurement site. Also in FY2000, the SmallBizMall was established as the first Federal web site dedicated to ordering from 8(a) small and disadvantaged IT businesses.

IT Solutions & Network Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies

Performance Goal

Assist Federal agencies in achieving significant savings by providing such high quality products and services at competitive prices that the demand for IT Solutions increases our overall business volume thereby resulting in a larger share of the Federal IT market.

In a competitive environment, it is important that FTS keep its existing customers and cultivate new ones. In order to do so, FTS will market itself as a quality provider of technology services at competitive prices that can help agencies achieve significant IT savings. It is also increasingly important for FTS to collaborate with other GSA programs to facilitate consistency in its interaction with clients. FTS will benefit from the marketing of the overall GSA image as a place where agencies can come for a complete GSA package that includes technology services. FTS will continue to provide enterprise solutions and tailored levels of service at competitive prices.

Performance Measure

Total business volume as a percent of the Federal IT market.

	IT Solutions Business Volume	Network Services Business Volume	% Federal IT/Telecom Market
FY 1999 Baseline	\$3.3 billion	\$1.2 billion	13.7%
FY 2000 Actual	\$4.2 billion	\$1.2 billion	14%
FY 2001 Target	\$4.9 billion	\$1.2 billion	15%
FY 2002 Target	\$5.5 billion	\$1.2 billion	16%

NOTE: Business volume figures include total revenue (including intra-fund revenue) and direct-order, direct-billed, also called non-flow through revenue. In FY 1999, FTS calculated market share based on OMB Exhibit 42; however, that exhibit has been replaced with OMB Exhibit 53. The FY 2000 through FY 2002 Market Share calculations are based on OMB Exhibit 53, Report on Information Technology Spending for the Federal Government, dated February 2000. Future market share calculations are subject to change based on future Federal IT/Telecom market projections that will be made on future versions of OMB Exhibit 53.

Strategies

Identify new customers and small agencies that have the greatest need for support in telecommunications and IT purchasing and serve as a resource for them.

Procure and offer customers a full array of network services and IT solutions services at the most competitive prices.

Expand FTS presence overseas in Europe, the Far East and other areas.

Utilize the Customer Database and the Grey Pages to facilitate customer relationships. The Customer Database has information to help identify our customers and provide an on-going record of our communications with them. The database includes a listing of all FTS customers and detailed information about customer contacts, purpose and dates of meetings, and other pertinent information. The Grey Pages is a database of FTS employees and potential customers detailing formal or informal points of

contact or associations with officials in other agencies that can be utilized by FTS to facilitate customer relationships.

Utilize and update the Products, Services and Solutions Database to facilitate understanding and enhance knowledge of FTS employees about the most current available offerings within FTS.

Collaborate with other GSA components to increase the potential for customer relationships.

Budget Link

Information Technology (IT) Fund total revenue of \$6.2 billion plus non-flow through of \$0.5 billion for a total projected business volume of \$6.7 billion for FY 2002.

Verification/Validation

Financial data are currently being maintained in two systems, the GSA National Electronic Accounting and Reporting (NEAR) system and a new system called Pegasys.

IT Solutions & Network Services

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Invest in the competencies of our workforce.

Performance Goal

Maintain an employee centric environment where employees thrive.

FTS works with employees to ensure that they have an environment that is worker-friendly and that they have the tools, technical skills, and supporting infrastructure to do their jobs. This enables employees to improve their performance and achieve the intended business results. We chartered a cross-functional Internal Communications Team focused on improving internal communications between FTS management and employees. The team has established a corporate FTS New Employee Orientation Program with materials, roles, and responsibilities defined so that organizations across FTS can be more effective in training new employees about our programs, products, services, vision, goals and priorities. In FY 2000 we surveyed our employees to obtain input on their perceptions of internal communications, and we plan to expand this survey in FY 2001 to include some employee satisfaction questions. Responses to survey questions are on a scale of five as follows: Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree.

Performance Measure

Percentile of the average score on the FTS internal communications/employee satisfaction survey (average score divided by the five possible responses).

FY1998 Baseline:	68%
FY 1999 Actual	Data Not Available
FY 2000 Actual	74%
FY 2001 Target	72%
FY 2002 Target	72%

NOTE: FTS is utilizing a new performance indicator for this goal because the GSA Culture Survey is no longer being performed. The FY 1998 Baseline reflects FTS results from the GSA Culture Survey while the FY 2000 Actual reflects results from the FTS internal communications survey. Future targets will be measured against an expanded FTS survey that will include both internal communications and employee satisfaction questions.

Strategies

Develop and implement action plans to improve FTS' culture. Management will focus on providing an environment that is worker friendly and providing employees with necessary tools and training.

Communicate FTS Core Values to our employees in meetings, through e-mail and in writing. Our business values are as follows: Customer Service Focus, Honest Broker, Excellence, Entrepreneurship, Employee Focus, and Teamwork and Partnership. Our individual values are Fairness, Integrity, Trust, Respect, and Professionalism. FTS Core Values communicate to our employees what is important to leadership and help to form our identity as an organization. Our values form a foundation that enables us to make both business and individual decisions.

Continue to pursue cross-functional Internal Communications Team initiatives that are focused on improving communications between management and employees.

Identify core competencies for job categories, create individual development plans, and identify and implement professional development opportunities.

Recognize employees using fast track cash awards to reward employees for performance. Continue providing business cards and peer recognition awards (\$50 vouchers).

Increase investment in employee training. Provide employees with an individual training budget of 1% of salaries, intended to enable employees to have a direct role in their own development. This individual training budget of 1% is in addition to the normal training allocation of 4% of salaries. This would bring the total FTS employee training investment to 5%.

Provide employees with state-of-the-art technology and tools to help improve their overall performance.

Budget Link

Total IT Fund obligations for FY 2002 of \$6.4 billion, which includes \$2.6 million in other personnel compensation that includes funding for cash awards. Under other services, the total IT Fund obligations also include \$6.4 million in training dollars based on approximately 5% of projected FY 2002 salaries.

Verification/Validation

Data are collected and analyzed by the Organization Development and Administration Center to ensure that the data are valid and reliable. All responses provided by employees are confidential.

IT Solutions & Network Services

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making process.

Performance Goal

Be Customer Centric – reduce acquisition cycle times.

For FTS customers, the speed with which we can deliver contract services is as highly valued as our competitive prices. FTS has aggressively implemented acquisition reform and is constantly looking for better ways to expedite IT and telecommunications acquisitions to meet the new and emerging needs of customers. Recognizing the importance of timeliness, FTS is committed to reducing the time it takes to issue task and delivery orders.

Performance Measure

Average calendar days to award task and delivery orders over \$2,500.

	<u>Average Number of Days from Request for Quotation to Award</u>	<u>Average Number of Days from Notice to Proceed to Award</u>
FY 1999 Baseline	12	16
FY 2000 Actual	11	Results Not Available
FY 2001 Target	10	15
FY 2002 Target	9	14

NOTE: Results are not available for the Average Number of Days from Notice to Proceed to Award in FY 2000. This is because enhancements to the system that were supposed to collect that data (ITSS) were delayed, so the information was not captured. The collection of this data is projected to begin by the third quarter of FY 2001.

Strategies

Take advantage of key aspects of acquisition reform initiatives, such as use of commercial item contracting, multiple award indefinite delivery/indefinite quantity (IDIQ) contracts, and use of electronic commerce to improve timeliness.

Utilize Client Support Centers (CSCs) to provide direct client interface and support, issue and manage task orders against contracts, and deliver solutions to our clients.

Take advantage of the IT master contracts awarded and administered by Solutions Development Centers (SDCs).

Utilize and update the Products, Services and Solutions Database to facilitate understanding and enhance knowledge of FTS employees about the most current available offerings within FTS.

Fully implement and utilize the Integrated Task Order Management System (ITOMS) and the IT Solutions Shop (ITSS), a web based electronic commerce system, to facilitate the speed with which we can deliver services.

Include flexibility in new contracts to reduce the need for modifications.

Budget Link

Data is currently captured manually for both IT Solutions and Network Services. In the future, IT Solutions data will be captured in the ITSS system once the system is fully implemented. The full implementation of that feature of ITSS is scheduled for FY 2001. The planned reserve use for this system in FY 2002 is \$5.0 million, and it is included in the budget under Regional IT Solutions and in the Cost and Capital Requirements Plan.

Verification/Validation

Data are collected from the regional and Central Office contracting offices and are used to report the average number of days in the procurement lead-time cycle for contract actions. Detailed information about these actions is contained in the Federal Procurement Data System (FPDS) and forms the basis and backup for the information reported. Lead-time data are manually collected and reported by individual contracting offices. These reports are consolidated by the FTS Office of Acquisition and reviewed by FTS management for accuracy.

IT Solutions & Network Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Increase market penetration to maximize service to Federal agencies and effect the greatest advantage to the Government.

Performance Goal

Achieve and maintain an appropriate level of full cost recovery to minimize costs borne by customer agencies.

FTS plans to be the preferred technology provider for the Federal community. FTS will increase IT savings to the Government through extensive outreach efforts, new acquisitions, and dialogue with our customers, stakeholders and industry. FTS will also ensure that its prices remain competitive by continuing to implement internal operating efficiencies within its programs to keep costs down.

Performance Measure

Excess revenue.

	IT Solutions Revenue	Network Services Revenue	Total Excess Revenue/(Loss) ³
FY 1999 Baseline	\$3,110 million	\$1,085 million	\$69
FY 2000 Actual	\$4,022 million	\$1,040 million	\$13
FY 2001 Target	\$4,662 million	\$1,018 million	\$0
FY 2002 Target	\$5,175 million	\$1,024 million	\$0

NOTE: Our goal is to break even. A capital reserve is retained in the fund to finance investments and program costs that are one-time or non-recurring in nature. This indicator focuses on current year expenses and revenues that are not covered by this reserve use. The excess revenues for FY 1999 were retained to fund FTS 2001 Transition, Innovative Technology initiatives, the WITS upgrade, and planned contributions to Working Capital. Revenue totals include intra-fund revenue.

Strategies

Minimize expenses/overhead by maximizing the use of existing contracts.

Minimize expenses by maximizing use of the Applications in Support of Widely-Diverse End User Requirements (ANSWER) and the Access Certificates for Electronic Services (ACES) contracts which use public key infrastructure certificates as the enabling technology to provide end-to-end security of information for the public and the Government.

Ensure a smooth transition to the FTS2001 contracts which offer competitively priced, state of the art, comprehensive telecommunications services worldwide.

Continue to award the Metropolitan Area Acquisition (MAA) contracts which are designed to take advantage of competition in major markets to achieve an immediate, substantive, and sustained price reduction for local telecommunications services. These price reductions benefit our Federal agency customers.

Maximize the use of the Wireless Store that features both land and satellite-based wireless products and services.

³ Total Excess Revenue excludes unfunded expenses and reserve use.

Minimize expenses by increasing the use of non-FTS contracts for specialized buys, such as FSS Schedules and Government-wide Acquisition Contracts (GWACS).

Minimize expenses by providing for flexibility in new contracts to allow for tailored levels of service and pricing (e.g., direct order/direct bill).

Minimize expenses by establishing tiered rates for regional programs based on the level of service needed to meet customer requirements (i.e. limited versus full service).

Develop accurate revenue and expense goals and profit/loss targets for each business line against which performance will be measured quarterly. This timely monitoring of actual revenues and expenses as compared to established goals and targets allows for necessary adjustments that facilitate achievement of full cost recovery.

Develop and implement business plans, including marketing plans, to ensure the success of new contracts. This planning process ensures successful implementation of new contracts and minimizes expenses.

Reduce operating costs by implementing ITSS and ITOMS to allow FTS to take advantage of the reduced costs associated with the electronic processing of transactions.

Take advantage of acquisition reform to bring new or enhanced services to the marketplace as rapidly and cost effectively as possible, such as shared savings. Increase participation of small, small-disadvantaged, minority and women-owned businesses in all FTS programs.

Budget Link

Total IT Fund FY 2002 revenue of \$6.2 billion and excess revenue of \$0 dollars as stated in the performance indicator.

Verification/Validation

Financial data are currently being maintained in two systems, the GSA National Electronic Accounting and Reporting (NEAR) system and Pegasys.

IT Solutions & Network Services

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making process.

Performance Goal

Be Customer Centric – increase customer satisfaction with FTS representatives and products/services.

FTS obtains information from customers through personal visits, focus groups, telephone interviews, surveys, and other methods. The objective is to better understand customers' needs, their levels of satisfaction with FTS services and products and FTS representatives, and why they do business with FTS competitors. Customer responses for Satisfaction with FTS Representatives were made on a scale of five ranging from Strongly Agree that they are satisfied down to Strongly Disagree that they are satisfied, with numbers assigned to the possible responses as follows: Strongly Agree that they are satisfied = 5, Agree that they are satisfied = 4, Neither Agree nor Disagree = 3, Disagree that they are satisfied = 2, and Strongly Disagree that they are satisfied = 1. Customer responses for Satisfaction with Service Attributes were made on a scale of five ranging from Highly Satisfied down to Strongly Dissatisfied, with numbers assigned to the possible responses as follows: Highly Satisfied = 5, Satisfied = 4, Neither Satisfied nor Dissatisfied = 3, Dissatisfied = 2, and Highly Dissatisfied = 1. FTS uses this and other customer information in planning and improvement efforts. The current survey effort consists of professional surveys that are specifically tailored to our IT Solutions and Network Services business lines and various programs.

Performance Measure

Percentage of customers indicating satisfaction with FTS representatives and programs, products and services on annual FTS surveys as indicated by responding four or five on a scale of one to five.

Percentage of Customers Satisfied with FTS Programs, Products, Services & Representatives	
FY 1999 Baseline	80%
FY 2000 Actual	76%
FY 2001 Target	77%
FY 2002 Target	78%

NOTE: FY 1999 Baseline percentages and all targets have been rounded to the nearest unit. In addition, we are reflecting one overall percentage that includes satisfaction with representatives, programs, products, and services for both IT Solutions and Network Services. As FTS moves towards integrating business lines and focuses on the Customer Action Team (CAT) approach, the overall evaluation of FTS from a combined business line perspective will be more representative of FTS performance.

Strategies

Continue to give regional managers flexibility in setting local service rates and to provide customers with a more concise billing statement.

Provide FTS employees with an automated product and service catalog, a customer profile database, and other automated systems.

Develop a new pricing strategy to provide more flexibility to customers for local telecommunication services.

Build on the customer relationships being facilitated by the Customer Action Teams (CATs) consisting of a nationwide network of existing FTS employees who focus on specific customers. The first four customers that FTS established teams for include the Environmental Protection Agency, the Defense Financial Accounting Service, the Army Corps of Engineers, and the Internal Revenue Service. Five additional teams that have been established include the Tribal Nations, the Department of Energy, the Defense Information Systems Agency, the Immigration and Naturalization Service, and the Army Material Command.

Continue to educate and train FTS representatives in product and service offerings and customer service.

Ensure that all FTS representatives are well informed about all offerings across and within business lines.

Budget Link

Total IT Fund obligations for FY2002 total \$6.4 billion, which includes \$6.0 billion for other services. Under other services, the total IT Fund obligations in FY2002 include an amount for the cost of the customer survey that is included in the Office of Strategic Planning and Business Development's budget.

Verification/Validation

Customer satisfaction surveys are designed and the results analyzed and reported by independent contractors to ensure that the data are valid and reliable.

IT Solutions & Network Services

GSA	
Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Provide state-of-the-art equipment and workplace environments to meet the needs of the mobile Federal worker.

Performance Goal

Increase the number of industry partnerships by making available many sources that can provide state-of-the-art equipment and workplace environments to meet the needs of the mobile Federal worker.

FTS is committed to developing industry partnerships so that our customers have access to a multitude of sources for leading-edge technology and streamlined and innovative acquisition support. FTS will use the findings of competitive analysis studies to identify new technology service offerings and search for industry partners to meet the needs of our customers. We will also work with other GSA organizations on integrated projects that have a technology component. In addition, FTS will identify customer requirements and be an honest broker by collaborating with the government and contractor community to find the best way to meet customer needs quickly and obtain the best value.

FTS utilizes many vehicles to bring IT Solutions and Network Services to our customers. The vehicles that FTS utilizes to meet customer needs have been categorized below as follows: GSA/FTS are contracts that FTS has put in place, GSA/Schedule are schedule contracts that GSA has put in place, GSA/Other are other non-schedule contracts that GSA has put in place, and GWACS are government-wide acquisition contracts that other Federal agencies have put in place.

Performance Measure

Number of new industry partnerships. Includes prime contractors with awards that exceed \$25,000.

	<u>Number of New Industry Partners</u>			
	<u>GSA/FTS</u>	<u>GSA/Schedule</u>	<u>GSA/Other</u>	<u>GWACS</u>
FY 1999 Baseline	255	353	5	52
FY 2000 Actual	177	293	7	31
FY 2001 Target	186	308	7	33
FY 2002 Target	195	323	8	34

NOTE: This new indicator replaces our previous indicator of the number of contracts and modifications awarded. The old indicator was simply a count of the number of actions that exceeded \$100,000. This new indicator more accurately describes our performance in providing state-of-the-art equipment and workplace environments to meet the needs of the mobile Federal worker by placing appropriate emphasis on the fact that we are striving to work with industry and government to bring technology to our customers.

Strategies

Identify potential new service offerings and use market analyses to enhance our ability to determine whether potential new offerings are a worthwhile investment.

Utilize the Business Case Assessment Model (BCAM) to assist in the evaluation of potential service offerings to determine if it makes good business sense to undertake particular procurements.

Collaborate with other GSA components and Federal agencies to improve and create new customer relationships.

Expand industry partnerships to keep abreast of leading edge technologies that will assist us in meeting the changing needs of our customers, and develop new contracts that maximize use of commercial solutions and commercial business practices.

Set and meet aggressive milestones for all procurement awards.

Budget Link

Information Technology (IT) Fund total projected business volume of \$6.7 billion for FY 2002.

Verification/Validation

Data are collected from the regional and Central Office contracting offices. Detailed information about these contract award actions is contained in the Federal Procurement Data System and forms the basis and backup for the information reported. These reports are consolidated by the GSA Office of Acquisition Policy and reviewed by FTS management for accuracy.

Financial data are currently being maintained in two systems, the GSA National Electronic Accounting and Reporting (NEAR) system and a new system called Pegasys.

IT Solutions & Network Services

GSA	
Strategic Goal	Meet Federal Social and Environmental Objectives
GSA Strategic Objective	Meet small business and socioeconomic procurement goals.

Performance Goal

Achieve and maintain an appropriate level of procurements with small business as a percent of prime contracts.

The Federal Government's statutory goals for contracting with small businesses (SBs) in FY 2001 are: 23% for small businesses, 5% for small disadvantaged businesses, 5% for women-owned small businesses and 2% for HUBZone⁴ small business concerns. HUBZone goals increase to 2.5% in FY 2002, and 3% in FY 2003 and thereafter.

Performance Measure

Percentage of procurements with small business as compared to total prime contracts.

FY 1999 Baseline	35%
FY 2000 Actual	36%
FY 2001 Target	26%
FY 2002 Target	28%

NOTE: It should be noted that the FTS goals do not meet all of the Federal Government's overall statutory goals described above but are considered realistic based on the nature of our business. This is mainly attributable to the impact of the long-term large dollar value FTS 2000/2001 contracts which have been awarded to large businesses, and this is reasonable because small businesses do not have the capability to provide large-scale telecommunications services. Accordingly, the overall goals are established considering the context of the information technology and telecommunications markets.

Percentages indicated above have been rounded to the nearest percentage point.

Strategies

Actively participate in efforts to publicize contract opportunities to small businesses.

Promote accelerated payment initiatives whereby the Government will pay small business vendors prior to the 30 days required by the Prompt Payment Act, when vendors are willing to offer advantageous discount terms.

Set and meet aggressive milestones for making procurement awards to small businesses.

Budget Link

Information Technology (IT) Fund obligations for FY 2002 are \$6.4 billion, which includes contracts awarded at the regions and contracts awarded by the Central Office.

⁴ HUBZone is defined as a Historically Underutilized Business Zone. The Small Business Administration (SBA) HUBZone Program provides Federal contracting assistance for HUBZone certified small business concerns located in qualified business communities in an effort to increase employment opportunities, investment and economic development. The program provides for set-asides, sole source awards, and price evaluation preferences for HUBZone certified small business concerns.

Verification/ Validation

Data are collected from the regional and Central Office contracting offices and are used to report enhancements and new awards. Detailed information about these actions is contained in the Federal Procurement Data System and forms the basis and backup for the information reported. These reports are consolidated by the FTS Office of Acquisition and reviewed by FTS management for accuracy.

Network Services

The Network Services business line has three programs that play a key role in providing FTS customers with end-to-end telecommunications services. They are as follows.

FTS2001

FTS2001 long-distance services reach users globally through two contracts awarded to Sprint and MCI WorldCom. The FTS2001 contracts are worth \$2.5 billion over the eight-year life of the contracts. The FTS2001 program has been very successful in obtaining state-of-the-art services at highly competitive rates. Through GSA negotiations, voice services will have gone from 5.8 cents per minute in FY 1999, under the predecessor contract, to less than 1 cent per minute.

Niche Contracts

FTS also provides advanced telecommunications products and services through contracts referred to as niche contracts. The niche contracts provide customers with a variety of fully competed services including wireless communications, technical and management support, international calling, wiring and cable, satellite equipment and services, and Internet access. Technological advances are being negotiated constantly to provide the Government with access to innovative telecommunications services. Particular attention has been given to adding the wide range of Internet Protocol and International services along with the ever-growing e-commerce applications.

Local Telecommunications Services

The local telecommunications services program provides state of the art voice, data and video services to tenants of Federal buildings and campuses maintained by GSA and other agencies. In FY 2000 the program provided approximately 540,000 active service lines to Government agencies. FTS provides these services through ownership and operation of voice telecommunications equipment or through resale of Centrex services from local exchange carriers. The FTS national average monthly line rate for FY 2000 was \$18.81, which reflects an overall reduction of \$9.89, or approximately 34% from the FY 1994 average Federal monthly line rate.

The wide array of service offerings, as well as a host of new advanced networking and value-added offerings, best reflect the overall success of the of network services programs. Included among the many Network Services business line successes are:

- Achieving a better billing process by measuring its accuracy, timeliness, and customer satisfaction,
- Achieving an immediate, substantive, and sustained price reduction for local telecommunications services, in particular by increasing the number of awards for Metropolitan Area Acquisition (MAA) contracts, and
- Providing flexibility in new contracts to allow for tailored levels of service and pricing.

Customers may realize up to 66% savings over current government rates and up to 70% savings over standard business rates because of these initiatives and successes.

Network Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal

Provide quality products and services at competitive prices and achieve significant savings for Federal agencies by reducing long distance prices.

FTS2000/FTS2001 prices are consistently competitive, and FTS2001 prices will continue to decrease in the future.

Performance Measure

Outbound switched voice rates.

	Outbound Switched Voice <u>Rate Per Minute</u>	Prior Year Outbound Switched Voice <u>Rate Per Minute</u>	Percent Reduction <u>Over Prior Year</u>
FY 1999 Baseline	5.42 cents	6.01 cents	10%
FY 2000 Actual	4.70 cents	5.42 cents	13%
FY 2001 Target	3.51 cents	4.70 cents	25%
FY 2002 Target	2.56 cents	3.51 cents	27%

Strategies

Monitor and compare total program prices of FTS2001 with those of equivalent commercial services for the same FTS2001 traffic and circuits.

Budget Link

FY 2002 Information Technology Fund total long distance expenses of \$634 million.

Verification/Validation

Calculations are performed with the aid of computer models developed by Mitretek Systems that have been in use and updated over several years.

Network Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal

Provide quality products and services at competitive prices and achieve significant savings for Federal agencies by reducing the average monthly local line rate.

The cost per line is the traditional means of measuring the local telecommunications services program. The FTS regional telecommunications program continues to reduce the average monthly local line rate. The projected average monthly line rate projected for FY 2000 reflects an overall reduction of approximately 34% from the FY1994 average monthly line rate. In FY 1998, FTS began to proceed with its planned Metropolitan Area Acquisition (MAA) program, designed to take advantage of competition in major local markets to achieve an immediate, substantive, and sustained price reduction for local telecommunications services.

Performance Measure

Average monthly local line rate.

	<u>Monthly Line Rate</u>	<u>Prior Year Monthly Line Rate</u>	<u>Percent Reduction Over Prior Year</u>
FY 1999 Baseline	\$20	\$21	5%
FY 2000 Actual	\$19	\$20	5%
FY 2001 Target	\$17	\$19	11%
FY 2002 Target	\$16	\$17	6%
Long Term	\$15	\$16	6%

NOTE: Line rates indicated above have been rounded to the nearest dollar. In addition, percent reduction over prior year has also been rounded to the nearest percentage point.

Strategies

Continue to award Metropolitan Area Acquisition (MAA) contracts for local telecommunications services nationwide in major metropolitan areas in FY 2001. This new contract vehicle will leverage the large Federal presence in these highly competitive local telecommunications markets to maximize the benefits of competition and bring savings to Federal user agencies.

Continue reducing costs by providing customer billing information via the Internet, which results in significant savings in printing and distribution costs.

Budget Link

FY 2002 Information Technology Fund projects total local service expenses of \$400 million.

Verification/Validation

For each fiscal year, FTS cost data and projected business volume data are used to compute the average monthly line rate. Financial data are currently being maintained in two systems, the GSA National Electronic Accounting and Reporting (NEAR) system and Pegasys.

Management Challenges and Solutions

IT Fund Cash Management

As a result of increased business volumes and the 30 to 60- day time lag between GSA's payment to FTS contractors and cash receipts from Federal agencies, the cash balance of the IT fund is currently at a lower level than desired. While FTS has negotiated an agreement with its major customers so that they are billed through the On-Line Payment and Collection (OPAC) System – an electronic inter-agency payment system that greatly reduces payment processing times and administrative burdens – not all of the time-lag related problems will be fully resolved in FY 2001. As the Fund's business volume continues to grow, lag times between payments to vendors and receipts from customers further strain the Fund's cash reserves.

In order to resolve these cash management issues, FTS has taken and continues to take aggressive action to maintain a healthy cash position. GSA is currently working with the Office of Management and Budget, the Department of the Treasury and its customer agencies to improve cash and accounts receivables management, in particular by increasing the automation of payments and collections.

Transition to FTS2001

FTS2000 was the GSA-managed mandatory program that provided domestic long distance telecommunications services to Federal agencies in the United States and certain territorial possessions. The FTS2001 acquisition was awarded in December 18, 1998 and January 11, 1999 to Sprint and MCI Worldcom, respectively. Like the FTS2000 contracts, FTS2001 provides a wide range of services at low cost. However, the list of services under FTS2001 has been expanded and geographic coverage will be worldwide.

Under the FTS2000 contract, AT&T supplied approximately 70% of the network. The implementation of FTS2001 requires that all of these services be transitioned to one of two other vendors, either MCI or Sprint. Transition is a relatively complex undertaking. There is a significant element of planning, engineering, and coordination that must occur to ensure minimal disruption to the agencies operations. To ease the transition, extension contracts under FTS2000 were awarded to both AT&T and Sprint for one year, with two six month options. These extension contracts are provided for purposes of providing continuity of services to agencies during the transition period. Transition to FTS2001 began in June 1999.

As of the end of February 2001, eighty-nine percent of agency sites have been transitioned to the FTS2001 program. Some of the challenges that have been overcome are the Verizon strike, and local access issues with several of the Local Exchange Carriers.

Aging Workforce

The average age of FTS employees as of September 2000 was 46.7 years. This represents a challenge to management because FTS stands to lose a significant amount of corporate knowledge as employees retire. FTS is seeking to build and leverage our "Intellectual Capital" so that we can face the new millennium with competent leaders and highly technical employees. Some of our strategies for doing so include recruiting human capital, developing and implementing action plans to improve FTS' culture, placing an emphasis on sharing corporate knowledge, identifying core competencies for each profession, creating individual development plans, identifying and implementing developmental work opportunities, investing in our employees in the form of training, and providing employees with state-of-the-art technology and tools.

X. OFFICE OF GOVERNMENTWIDE POLICY

The Federal Property and Administrative Services Act of 1949 authorizes GSA to provide for a Governmentwide system for procurement and supply of personal property and management services, utilize available property and dispose of surplus property, and provide records management. By the same authority, GSA develops, facilitates, and interprets Governmentwide policies in these areas.

OGP's mission is to improve Governmentwide management. In order to accomplish this mission, OGP must build and maintain a policy infrastructure for the Federal Government. This policy infrastructure includes the following.

Implement requirements of Federal laws and Executive Orders by issuing policies for the acquisition, management, and use of Federal resources.

Identifying, evaluating, and promoting the use of best practices for the acquisition, management, and use of resources and technology.

Developing performance measurement systems to assist Federal agencies in improving their administrative operations.

Providing on-line access to policies, best practices and Governmentwide databases for Federal agencies to utilize in managing their administrative operations.

OGP exercises GSA's authority as one of the central management organizations of the Federal Government. It collaborates with the Federal community and others to develop policies and guidelines, to provide education and training, and to identify best practices in the areas where GSA has or supports policymaking authority. These areas include:

- Acquisition
- Real Property
- Personal Property
- Travel
- Transportation (Including motor vehicles, aircraft and mail management)
- Information Technology and Electronic Commerce
- Use of Federal advisory committees
- Regulatory Information
- Intergovernmental management

OGP's sphere of influence covers:

All Federal procurement actions - 33.3 million actions, obligating \$231.1 billion - in FY 2000
28,000 Federal Contracting Officers
Many Foreign, State and local governments
Total Government space inventory—3.2 billion square feet;
Total Federal fleet activities— nearly 600,000 vehicles and 1200 civilian agency aircraft
Disposal of over \$11 billion of Federal excess and surplus property (both real and personal) each year.
Portal for government information under FirstGov and procurement opportunities using FedBizOpps
Establishing a policy infrastructure for public key technology

OGP influences the way Government operates now and in the future. It provides guidance, information and performance measures to make the Federal Government's administrative processes more efficient and effective. It creates opportunities for interagency, intergovernmental and public-private collaboration in developing the regulations and policies that affect them. It provides leadership in the use of the Internet, electronic commerce, and risk management in the drive toward a paperless Government. It functions as a clearinghouse for the exchange of critical information on Federal procurement opportunities, information resource management, and best practices.

OGP impacts the Federal workforce and the private sector in the conduct of their daily business. For example, a Federal employee must follow certain rules in order to be compensated for travel or relocation on behalf of the Government. Those rules are governed by Federal Travel Regulations issued by OGP. By the same token, vendors must meet certain requirements to respond to government solicitations. In this instance, both private-sector vendors and public-sector agencies that issue solicitations must follow Federal Acquisition Regulations disseminated by OGP's Office of Acquisition Policy. The outcomes of its processes—while far-reaching enough to affect every Federal employee—are not yet easily measurable.

OGP has a broad mandate to build and maintain a Governmentwide policy infrastructure, some of which support other Federal policymaking agencies, and to lead specific improvement initiatives. This performance plan is organized around these two areas.

This year's performance plan features some new additions including four new performance goals. These goals are part of an internal performance measurement system called the Balanced Scorecard being implemented in OGP. The four performance goals are as follows.

Ensure that all OGP employees have the necessary knowledge and skills to support the organization's mission.

Encourage innovation and increase employee satisfaction with OGP-wide communications, cooperation, and information assets.

Develop partnerships to share resources.

Improve customer satisfaction.

The measures from two previous goals, i.e., "identify and publish best practices" and "develop and promote performance measurement systems for Governmentwide use," have been refined and expanded. This was done to enhance management's ability to target and evaluate program performance in these areas. This year's plan reports the results achieved against these two original goals, closes them out, and re-introduces them in their modified form. The submissions of future years will reflect these goals in their modified form only.

Governmentwide Policy Infrastructure

OGP provides a Governmentwide policy infrastructure to guide and assist Federal agencies in performing the administrative services that support their missions. With a broad mandate, OGP's policymaking authority encompasses or supports the following 12 areas.

- Acquisition
- Mail Management
- Aircraft
- Motor Vehicles
- Committee Management
- Personal Property
- Real Property and the Workplace
- Electronic Government
- Transportation
- Information Technology
- Travel
- Regulatory Information Services Center

OGP has responsibility for creating and supporting networks of agency representatives who are affected by policymaking in these areas, to bring them together to collaborate on developing the policies and guidelines, and to share the information necessary to instill consistent and orderly processes throughout the Government. These interagency groups—committees, subcommittees, teams and task forces—work together to recommend policy and regulatory changes and to support legislative recommendations, bringing their own agency perspectives to the process.

In addition to sponsoring and participating in meetings, forums, conferences and workshops, OGP supports these groups by providing policies and guidelines, performance measurement systems, information on best practices, access to shared databases, and other support necessary to effectively implement the requirements of Federal laws and Executive Orders.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Promote responsible asset management
GSA Strategic Objective	Develop, advocate and evaluate policies and best practices that enable better acquisition, management and utilization of Government resources.

Performance Goal

Organize, lead and collaborate with Federal agencies through interagency working groups to implement Federal Laws and Executive Orders and address Governmentwide issues.

Establishing new interagency working groups and supporting existing groups lays an important foundation for OGP's government-wide policy infrastructure. These groups serve as conduits for collaboration and cooperation with Federal agencies in developing policies and best practices in the administrative areas under OGP's purview.

Performance

Measure: Number of OGP program areas with supporting interagency committees

FY 1998 Baseline	12 of 12
FY 1999 Target	12 of 12
FY 1999 Actual	12 of 12
FY 2000 Target	12 of 12
FY 2000 Actual	12 of 12
FY 2001 & Beyond	12 of 12

Strategy:

OGP is currently working with over 70 interagency groups, including local, State and even other national governments. This policy infrastructure assists Federal agencies in performing the administrative services that support their own missions.

Total Budget Link: FTE: 34

Budget: \$3.7 Million

Verification/Validation:

This goal has been accomplished. Each OGP program area tracks the number of interagency committees that it supports and verifies that the groups are continuing to meet on a regular basis, conducts membership surveys to assess participant needs, and monitors industry participation.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Promote responsible asset management
GSA Strategic Objective	Develop, advocate and evaluate policies and best practices that enable better acquisition, management and utilization of Government resources.

Performance Goal

Maintain up-to-date policies and guidelines for those areas within OGP's responsibility.

OGP is responsible for not only developing regulations, but also for ensuring that they are updated to address issues raised by the Executive and Legislative branches.

Performance Measure

Percent of planned regulatory changes completed

FY 1998 Baseline	20%
FY 1999 Target	55%
FY 1999 Actual	58%
FY 2000 Target	85%
FY 2000 Actual	93%
FY 2001 Target	100%
FY 2002 Target	100%

Strategies

Acquisition: Develop guidelines for the use of new technologies to shift acquisition decisions to the end item user. Develop guidelines for the acquisition of best value construction, goods, services and leaseholds.

Aviation: Assist with the revision of OMB Circular No. A-126; Revise and rewrite 41 CFR Part 101-37 in plain language format and to cover life cycle acquisition, management, and disposal; seek amendments to Public Law 106-181 regarding Public Aircraft.

Committee Management: Regulations implementing the Federal Advisory Committee Act (FACA) are located at 41 CFR Part 101-6. OGP will continue to seek to amend FACA during FY 2001 and FY 2002 to achieve a principle and outcome-based policy approach, to replace the current process model.

Electronic Government: Issue smart card policies and interoperability guidelines; policies for the use of digital signatures; and IT policies for the use of e-Commerce standards.

Information Technology & Intergovernmental Management: (1) Include accessibility requirements in the Federal Acquisition Regulations as mandated by Public Law 105-220, the Workforce Investment Partnership Act of 1998. (2) Implement the Federal participant role outlined by OMB Circular A-119 describing the policies on the Federal use and development of voluntary consensus standards.

Mail: The rewrite of 41 CFR 101-9, Mail Management, in plain language format will be completed during calendar year 2001.

Motor Vehicles: Update 41 CFR 102-34, "Motor Vehicle Management", to include motor vehicle-related environmental requirements, such as use of re-refined oil. Amendments to Public Law 99-550 have been sent to the Office of Management and Budget for review. OGP's goal is to send a bill to Congress within the next fiscal year

Personal Property: Continue to revise and reengineer accordingly FMR 102-36 through FMR 102-42.

Real Property: OGP conducts ongoing programs in legislative review and in telework, which we promote throughout the Government, and continues to monitor legislative efforts to reform asset management. In FY's 2001 and 2002, OGP will review and revise CFR 102-71 through 82, Real Property Policies; CFR 102-84, Annual Real Property Inventories; issue guidance on implementation of the Transportation Equity Act for the 21st Century (TEA-21); issue guidance for placement of Automatic External Defibrillators in Government-controlled buildings; and monitor PBS progress in converting the existing Federal Property Management Regulations to the Federal Management Regulation and Customer Service Guides.

Transportation: Finalize revision and publish in Federal Register 41 CFR 101-40 and 41 in plain language format; develop and implement the regulations and guidance required under P.L.105-264. New regulations are FMR 102-117 Transportation Management and FMR 102-118 Federal Management Regulation for Transportation Audit. Track and aid the agencies as they comply with the two major regulations and the changes they require.

Total Budget Link: FTE: 31

Budget: \$3.6 Million

Verification/Validation:

OGP tracks the publication of rewritten or updated regulations in the Federal Register. Federal agency surveys are conducted concerning guidelines, their usefulness, clarity etc. There is regular review of the number of agencies participating in Governmentwide projects sponsored by the Electronic Government Office and contract vehicles it helped to establish. Federal fleet management, as FEDFLEET members, are periodically surveyed concerning the usefulness and clarity of existing regulations and guidance policies. OGP also asks FEDFLEET members for their ideas on what needs to be changed, added, or deleted from the body of regulatory guidance that influences Federal fleet management operations. Interagency Committee On Property Management (ICPM) members are surveyed to determine usefulness and applicability of property management regulations. Day to day project management and integration into the OGP-wide balanced scorecard process also serves as a checkpoint.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Promote responsible asset management
GSA Strategic Objective	Develop, advocate and evaluate policies and best practices that enable better acquisition, management and utilization of Government resources.

Performance Goal

Invest in the competencies of our workforce to ensure that all OGP employees have the necessary knowledge and skills to support the organization's mission.

This is a new performance goal established to emphasize that the most important asset of OGP is its experienced workforce. Currently almost 50% of OGP employees are eligible for some type of retirement option. Management recognizes the challenges inherent to an older, smaller workforce, and is aware of the need to develop and replenish different employee skills to support GSA's strategic goals in a rapidly changing environment with an aging workforce.

Performance Measure

The percent of employees who are at the basic level or higher in competency areas identified as being critical to OGP's needs.

FY 2001 Baseline	100% (Presumed at basic level)
FY 2001 Target	TBD (% above basic level)
FY 2002 Target	TBD (% above basic level)

Strategy

Each OGP organization will create a model which identifies the primary competencies, or broad knowledge and skills areas, needed by employees to both support the OGP mission and to prepare for increased responsibilities. Proficiency levels will be defined. Supervisors and employees will then jointly assess employee knowledge and skill gaps. This information will be used to determine the FY2001 OGP-wide baseline. Then using Individual Development Plans (IDP's) supervisors and employees will jointly plan and schedule the necessary training, education, and developmental activities needed to progress to and beyond the basic proficiency levels.

Total Budget Link: FTE: 4

Budget: \$400,000

Validation/ Verification:

Performance data will be jointly verified and validated using supervisory and employee self-assessments and through supervisory observation and evaluation during performance appraisal. Additional validation will also be done certificates of completed training, and supervisory assessment of progress made by individuals against training, education, and developmental goals identified in IDP's.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Promote responsible asset management
GSA Strategic Objective	Develop, advocate and evaluate policies and best practices that enable better acquisition, management and utilization of Government resources.

Performance Goal

Identify and publish leading practices for those areas within OGP's responsibility.

Part 1

Performance Measure

Percent of processes completed.

FY 1998 Baseline	50 %
FY 1999 Target	71 %
FY 1999 Actual	92%
FY 2000 Target	100 %
FY 2000 Actual	100%
FY 2001 Target	100 %
FY 2002 Target	100%

Strategies

Continue to refine the leading practices as described by the following.

Acquisition: OGP supports the Office of Federal Procurement Policy (OFPP) with assistance in writing, editing, and posting the "Best Practices Guides" on ARNet. Capture and share intellectual capital with acquisition professionals to enhance their performance.

Aviation: Aviation management "best practices" are published in guidelines including the Aviation Cost Accounting Guide, Aviation Fleet Planning Guide, Aviation Operations Guide, Aviation Maintenance Guide, Aviation Safety Standard Guidelines and Aviation Resources Management Survey Guide. Other best practice information, is promulgated on OGP's web site in its quarterly newsletter, and in training workshops.

Information Technology: On February 12, 2000, a video was produced entitled "IT Accommodation Research: Opening the Door to Universal Access" which highlighted the results of the pilot conducted for Census 2000. The video complemented a Census business plan addressing strategies for hiring and establishing a support infrastructure.

Intergovernmental Management: Intergovernmental best practices are published and distributed to all levels of government through a semi-annual newsletter and various other reports to officials and visitors from around the world. Best practices are also shared as a result of three online directories of officials and organizations worldwide. In addition, OGP maintains an on-line compendium of award winning IT solutions for the use of governments worldwide.

Motor Vehicles: OGP continues to publish the latest fleet management best practice information and industry news in its quarterly "Vehicle Views" newsletter. In fiscal year 2001, OGP, in partnership with the Department of Health and Human Services, will deploy a Federal Fleet Management Desk Reference Guide on the World Wide Web. This site will provide training material and best practice information to federal fleet managers nationwide.

Real Property: OGP publishes the latest information on public and private real property initiatives, trends and best practices in its quarterly *Real Property Policysite* Newsletter, plus an annual special edition devoted to best practices. Each year an awards program is held that recognizes and advertises innovative policies and best practices in asset management. The *Real Property Information Clearinghouse* on the Internet provides a medium for Federal real estate professionals to share best practices and performance measures online. OGP has an ongoing customer outreach program to evaluate our products and services and to provide input for new initiatives. OGP's Integrated Workplace program is recognized for its innovation and leadership; other OGP programs devoted to best practices include: Government-wide Real Property Information Sharing (GRPIS), Sustainable Development, Public-Private Partnerships, Tools and Models, Real Property E-Commerce and Best Practices in State Government.

Regulatory Information Service Center (RISC): Disseminates Regulatory information through the RISC NEWS newsletter, several web sites, and training classes.

Travel: OGP publishes the latest information on travel and related events on web sites. A newly revised user-friendly per diem website has been developed. Currently has the names of properties per destination listed that are at or below the per diem rates.

Complete the development of best practices in the following areas:

Aviation: OGP worked with the Interagency Committee for Aviation Policy (ICAP) to produce Aviation Safety Standards Guidelines. The guidelines serve as a "table of contents" for standards in aviation administration, operations, maintenance, safety and training. ICAP agencies have agreed to (1) write a book of detailed standards pertinent to their various missions; (2) identify methods for enforcing their standards; (3) share standards and methods of enforcement, and (4) identify best practices. OGP is establishing awards to recognize aviation best practices.

Committee Management: OGP provides current information on committee management best practices through its Home Page, the Secretariat's own web site, and a newly developed web-interactive CD-ROM. Best practices are also communicated through a quarterly interagency training course covering all aspects of the Federal Advisory Committee Act. During FY 2001, two detailed written case studies will be prepared on contemporary public involvement issues.

Electronic Government: OGP is working in partnership with an MBA Consulting Team from the Robert H. Smith Business School at the University of Maryland to identify several successful agencies and determine the factors that contributed to their successes. The program will be expanded to encompass initiatives from other OGP offices.

Mail: Mechanisms for collecting and disseminating best practices are in place and will remain ongoing: The interagency Committee, the Annual Educational Forum and The Federal Mail Best Practice Awards.

Personal Property: OGP will continue to solicit nominations from agencies related to their use of the Personal Property Management Principles in innovative asset management activities. These nominations will serve as the basis for the Miles Romney Achievement Award for Innovations in Personal Property Management and the subsequent dissemination of best practices.

Information Technology: On February 12, 2000, the Census Bureau produced a video entitled "IT Accommodation Research: Opening the Door to Universal Access." The video highlights the results of the pilot conducted for Census 2000 and complements the Census business plan addressing strategies for hiring and establishing a support infrastructure. OGP will distribute the video to the agency 508 coordinators to demonstrate the "best practice" that one agency used to

incorporate 508 into its business plan. The video will also be available to research audiences as a best practice in integrating 508 research and agency performance plans

Transportation: OGP will examine data from on-going pilots on the use of alternative payment methods such as charge cards or commercial government bills of lading. Utilize website for best practices, data, contract management, and other guiding information. Establish concept and Award of Best Transportation Manager for Civilian and Military Agencies. Work with FSS-FB to develop and finalize Guide/Work Books with implementing detail to support new regulations FMR 102-117 and 102-118.

Travel: In our partnership with the Army, the Premier Lodging Program, a hotel contracting program was kicked off in Boston as a pilot in January 2000. There are 8 properties currently under contract in the Boston area. We will pursue the top 25 locations to be under contract by the end of 2000 and the top 75 by the end of 2001.

Personal Property: OGP partnered with DOD and NASASP, to evaluate a DOD pilot program entitled, Recycling Control Point (RCP), that automates the screening process of excess military depot stock, providing for no cost transfers of excess property to Federal and State customers without prior physical inspection. The pilot was deemed a success and RCP is being implemented nationwide.

Total Budget Link: FTE: 31 Budget: \$4.5 Million

Verification/Validation:

The number of agencies testing/adopting best practices will be verified through agency surveys. Continue to review Industry groups who endorse identified best practices and to monitor increases in the number of pilot programs leading to full implementation of the practices tested. Review for increases the number of collaborative benchmarking studies (intended to identify industry leading practices) with other agencies.

An interagency working group of fleet managers is assisting in the development of the fleet management web site. After completion, this group will continue to review the web site to ensure the information contained remains current and relevant to Federal fleet management. In addition, the web site contains mechanisms allowing users to provide feedback.

Verification is performed through day to day project management, integration into the OGP-wide balanced scorecard process, and continuing support from management for quality data.

Part 2

Performance Measure

Effectiveness of Governmentwide efforts to identify, evaluate, and promote the use of leading practices by OGP.

Indicators:

A - The number of OGP initiatives that promote development of improved management practices Governmentwide.

B - The number of Federal agencies participating in pilots and/or applying leading practices.

Indicator	FY2000 Baseline	FY2001 Target	FY2002 & Target
A	42	49	60
B	161	237	350

Strategies

In collaboration with Federal agencies, OGP identifies and publishes leading practices for its areas of responsibility. Publications take the form of printed documents, booklets and information posted on OGP web sites. In some areas, e.g., real property, the mechanism for disseminating best practices has been in place for some time and is widely used by customer agencies. In others, OGP is in the early stages of developing a methodology for identifying best practices and communicating them to the rest of the Government. Note that this performance goal is not new, but the performance measures and indicators have been refined to facilitate better measurement of the effectiveness of OGP in this area.

Acquisition: Develop knowledge management tool which captures lessons learned and intellectual capital and then share it with all acquisition professionals.

Committee Management: Increase issuance of formal guidance. Develop standard committee models. Include best practices in training.

Electronic Government: Expand the number of opportunities to present best practices in two ways: 1) partner with the CIO Council E-Gov Committee Best Practices Working Group to develop a government Best practices web-accessible database; and 2) fund a study by the University of Maryland Smith Business School to identify the attributes of successful Government start-ups.

Information Technology - Federal IT Management: OIT is responsible for planning and directing Governmentwide activities to support the Office of Management and Budget, interagency committees and agencies improve the application and management of information technology resources. The focus is on supporting OMB and selected Governmentwide IT management committees by:

Addressing emerging government-wide strategic issues

Leveraging effective management practices and lessons learned

Developing investment tools and architectures to support an electronic assisted Government

Developing Federal IT leaders for the future.

Real Property: OGP publishes the latest information on public and private real property initiatives, trends and best practices in its quarterly *Real Property Policysite* Newsletter, plus an annual special edition devoted to best practices. Each year an awards program is held that recognizes and advertises innovative policies and best practices in asset management. The *Real Property Information Clearinghouse* on the Internet provides a medium for Federal real estate professionals to share best practices and performance measures online. OGP has an ongoing customer outreach program to evaluate our products and services and to provide input for new initiatives. OGP's Integrated Workplace program is recognized for its innovation and leadership; other OGP programs devoted to best practices include: Government-wide Real Property Information Sharing (GRPIS), Sustainable Development, Public-Private Partnerships, Tools and Models, Real Property E-Commerce, and Best Practices in State Government.

Transportation: Conduct agency profiling/best practice working groups. Initiate new or improved laws, regulations, and policies that improve government management.

Total Budget Link: FTE: 84 Budget: \$2.4 Million

Verification/Validation

Customer use/satisfaction surveys are used regularly. Tabulation of the results of customer surveys focused on an evaluation of the effectiveness of Transportation and Personal Property strategic initiatives. Conducted an in-house validation of the data received.

OGP managers meet regularly to analyze and balance the full portfolio of OIT programs. Managers meet weekly to discuss each business case, determine the breadth of program impact, and measure progress in promoting best practices across government.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Promote responsible asset management
GSA Strategic Objective	Develop, advocate and evaluate policies and best practices that enable better acquisition, management and utilization of Government resources.

Performance Goal

Develop and promote performance measurement systems for Governmentwide use.

Part1

Performance Measure

Number of OGP areas of responsibility with performance measurement systems.

FY 1998 Baseline	1 of 12
FY 1999 Target	7 of 12
FY 1999 Actual	7 of 12
FY 2000 Target	11 of 12
FY 2000 Actual	11 of 12
FY 2001 Target	12 of 12
FY 2002 Target	12 of 12

Strategies

Complete the development of performance measurement systems in the areas of responsibility listed below.

Acquisition: The Office of Acquisition Policy (OAP) is working closely with the Procurement Executives' Council (PEC) to adopt a Balanced Scorecard framework for performance measurement of Federal agencies' procurement operations. At the same time, OAP is using the Balanced Scorecard framework to gather performance measurement data from internal GSA procurement offices.

Aviation: OGP collects data on aircraft inventories, operating costs, flight hours, and safety via the new on-line Federal Aviation Interactive Reporting System (FAIRS). FAIRS became operational in April 2000. FAIRS includes a powerful query tool and various aircraft performance and cost decision support tools that can be used for benchmarking purposes.

Committee Management: Performance measures have been developed to cover advisory committees at the macro level. They will be refined during FY 2001 and FY 2001 to increase their usefulness at the individual agency/committee level, and to complement OGP's efforts to develop a corporate Balanced Scorecard (BSC).

Electronic Government: OGP is also working with the Federal procurement community to identify EC metrics. The office has developed a number of metrics for FedBizOpps (formerly the Electronic Posting System).

Information Technology: OGP's information Technology performance initiative is now established under the Balanced Scorecard methodology.

Motor Vehicles: FEDFLEET members have agreed on a set of performance measures. Once the new Federal Automotive Statistical Tool (FAST) that is being developed in partnership with

the Department of Energy has been completed, agencies will have access via the Internet to the data needed to use these measures to gauge their fleet operations against other Federal fleet.

Real Property: OGP's real property performance measurement initiative is well established and features participation by Federal agencies, the private sector, and other governments. An annual report called, "Performance Results", was first published in 1998. New editions of this innovative report continue to refine and add to the established framework including workplace measures, a cost per person model, workplace impact on productivity, employee satisfaction, number of Federal teleworkers, and the level of annual capital reinvestment. OGP also focuses resources on Governmentwide strategic planning, including a leadership role in the effort to support strategic planning for administrative services. OGP's Office of Real Property was the first program office to develop its own Balanced Scorecard internal performance management system.

Personal Property: OGP maintains the Computers for Learning (CFL) website that measures the amount of computer equipment transferred to schools. OGP also has a system that supports performance measures using the Asset Disposition Management System.

Travel: OGP has developed its biannual Federal Agencies Travel Survey as a more meaningful performance measurement tool, by collecting data on direct travel and relocation expenses to better derive the cost of travel to the Government. This survey is now being done electronically. A separate action was done to identify the indirect costs associated with administering the travel process.

Begin development of planned performance measures:

Mail: OGP is submitting a separate budget issue paper proposing development of a joint Mail and Transportation Management Information System. The FTE and budget shown below will provide for a complete requirements analysis during FY 2002. Actual development and implementation of the system would proceed in FY 2003 and beyond.

Motor Vehicles: Continue to work with fleet industry associations to develop performance measures enabling Federal fleets to compare their operations to private sector fleets in a meaningful way.

RISC: OGP is working with OMB to identify performance indicators.

Transportation: Will work with client agencies directly as well as through the Governmentwide Transportation Management Policy Council (GTPC) to determine transportation requirements for mission accomplishment and to identify and develop cost effective, efficient systems. Will develop a system to capture transportation costs by modes, by agencies, and by regions, with the system phased-in beginning in FY 2001. Will establish system a to identify best/leading practices used throughout the transportation industry in collaboration with industry, associations and agencies, and will work with agencies directly and/or through the GTMC to implement wherever they can benefit government agencies. Will lead the establishment of a Governmentwide relocation task force to study agency requirements for moving household goods, concerns, and policy and regulatory requirements with the objective of developing and recommending legislative/regulative and policy changes.

Implement planned systems:

Motor Vehicles: Develop and refine a joint GSA and Department of Energy (DOE) government-wide information system called the Federal Automotive Statistical Tool (FAST). FAST will enable agencies to fulfill a myriad of mandatory reporting requirements under E.O. 13149, the Federal Energy Management Program, the Energy Policy Act of 1992, and GSA's Federal Fleet Report via the Internet. FAST will automate the Federal Fleet Report, generate a scorecard on agency

compliance with E.O. 13149, allow agencies to query Federal Fleet Report Data, and generate customized statistical analysis.

Personal Property: The Asset Disposition Management System (ADMS) for personal property disposal collects data from all agencies using common data elements, and coordinates technical requirements with agency IT staff to ensure interoperability.

Total Budget Link: FTE: 14

Budget: \$3.1 Million

Verification/Validation

OGP utilizes Agency/Industry agreement on what data should be collected and how to collect it. Performance measurement systems under development are tested by selected agencies to see if they really measure what they are supposed to measure. Systems are improved based on these tests. After testing, agencies adopt the performance measurement systems and use them to improve their operations. Industry endorses performance measurement systems and provides industry measures for comparison purposes.

The measurement data from Electronic Government will be a by-product of automated Federal procurement systems, capturing actual data from the business process. Comparisons of results to private sector and other government data will be made. OGP will report on data limitations and provide documentation of data collection protocols.

OGP will continue to work with the FEDFLEET group, the National Association of Fleet Administrators and other industry groups to conduct research and analysis to identify data elements that accurately represent the performance to be measured and are relevant for comparisons between private sector and government fleets. FEDFLEET members are periodically asked to review the measures to ensure their continued validity and usefulness in managing their fleet operations. Industry sources are also consulted to ensure the validity of the measures. Currently, before information is included in the Federal Fleet Report, agencies are contacted to confirm and/or correct data that appears to be erroneous. In addition to these personal contacts, the Fast System will include data entry checks that will automatically compare new submissions to the previous year's submission and red flag changes of greater than 5 percent.

Validity checks are part of day to day project management and the OGP-wide balanced score card process. Management continues to communicate support for quality data.

Part 2

Performance Measure

Number of Federal agencies using performance measures.

FY 2000 Baseline	58
FY 2001 Target	203
FY 2002 Target	318

Strategies

OGP develops and recommends performance measures in most of its program areas of responsibility through extensive collaboration with federal agencies and outside experts.

Acquisition: Implement a Governmentwide performance measure system for government procurement.

Committee Management: Establish interagency working group. Commission baseline survey with Gallup.

Electronic Government: Will seek to motivate and lead agencies, with tools and examples, to use performance measures to demonstrate the impact of electronic commerce technologies and practices, such as measurable improvements that lead to saving and greater effectiveness. For example, in partnership with the Center for Knowledge and Information Management at the University of Maryland's Robert H. Smith School of Business, the Electronic Government Office produced measures for the use of digital certificates in applying for financial aid using the Free Application for Federal Student Aid. One method identified for measuring these performance areas is to establish electronic score cards or surveys for on-line FAFSA applicants to complete. The development of metrics for student aid is only the start. The methodology might be used as a model for capturing benefits of potential pilot programs at start-up.

Information Technology: Federal IT Performance Measures. As part of each agency's asset capital plan, all top 24 agencies submitted cost, schedule and performance goals for their major and significant IT systems as required by FASA Title V. However, since agencies were not required to provide performance goals or measures that link their IT systems to mission results, there is no central source of information on mission level IT performance measures.

In June 2001, the CIO Council Sub-committee on Performance Management will release criteria for evaluating agency IT performance measures. Agencies will voluntarily evaluate their FY 2002 and future year submissions.

Real Property: OGP's real property performance measurement initiative is well established and features participation by Federal agencies, the private sector, and other governments. An annual report called, "Performance Results", was first published in 1998. New editions of this innovative report continue to refine and add to the established framework including workplace measures, a cost per person model, workplace impact on productivity, employee satisfaction, number of Federal teleworkers, and the level of annual capital reinvestment. OGP also focuses resources on Governmentwide strategic planning, including a leadership role in the effort to support strategic planning for administrative services. OGP's Office of Real Property was the first program office to develop its own Balanced Scorecard internal performance management system.

Transportation: Conduct agency profiling / best practices working groups. Initiate new or improved laws, regulations and policies that improve government management

Total Budget Link: FTE: 12

Budget: \$1.5 Million

Verification/Validation

One of the means of verification will be Agencies reporting of usage of the Governmentwide performance measurement system to the Procurement Executives Council (PEC). Data from research partners, commercial benchmarks, industry standards and data from the analysis of successful government initiatives will also be used to provide relevant performance measurement information.

For the FY 2002 budget submissions provided in September 2000, OMB asked agencies to submit their mission-level performance goals or measures for their IT systems that had been included in their FY 2001 submission. Review of this information gives the percentage of agencies with mission level-IT performance measures.

Tabulation of the results of customer surveys focused on an evaluation of the effectiveness of strategic initiatives. OGP plans to conduct an in-house validation of the data received.

Verification and validation is also a part of day to day project management and the OGP-wide balanced score card process. Management continues to communicate support for quality data.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Promote responsible asset management
GSA Strategic Objective	Increase the satisfaction and effectiveness of our workforce.

Performance Goal

Increase the satisfaction and effectiveness of our workforce by encouraging innovation and increasing employee satisfaction with OGP-wide communications, cooperation, and information assets.

This is a new performance goal for OGP established to emphasize the importance of human capital as an asset and the need for an effective, innovative workforce.

Performance Measure

Employee satisfaction with the quality of work life in OGP.

Indicators: Average ratings (percentile of average responses in agreement with the survey categories) OGP culture and organizational climate survey.

FY 2001 Baseline To be determined (TBD).

FY 2002 Target To be determined (TBD).

Strategies

The Gallup Organization will survey OGP employees annually to assess their level of satisfaction. They will then use the survey results to suggest strategies for improvement. The survey results will be used to establish the initial baseline and subsequent performance targets. Tracking systems will identify collaborative projects.

Current status: The survey was first administered in September 2000. The data analysis is currently in progress. The survey results will be used to establish the initial baseline and subsequent performance targets.

Total Budget Link: FTE: 1

Budget: \$35,000

Verification/Validation

The Gallup Organization will conduct the survey. Gallup will use traditional research methodology and statistical techniques to validate and verify the survey results.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Make Government policies and best practices timely, accessible and useful.

Performance Goal

Improve accessibility to shared databases and information on best practices and policies for Government, industry and the public's use.

Performance Measure

Number of information systems accessible via the Internet.

FY 1998 Baseline	7 of 9
FY 1999 Target	8 of 9
FY 1999 Actual	7 of 9
FY 2000 Target	9 of 9
FY 2000 Actual	100%
FY2001 & Beyond	100%

Strategies

Increase access to shared systems by 1) demonstrating the benefits of the systems to other agencies, 2) informing agencies of the low costs of using OGP systems, and 3) maximizing the use of technological advances.

Use off-the-shelf software wherever feasible to ensure that it is accessible and compatible with other Government systems.

Migrate all shared systems to the Internet. OGP is currently working with GSA's Federal Technology Service's (FTS) Federal Systems Integration and Management Center (FEDSIM) program to find a contractor to accomplish this. The first to be shifted will be the Worldwide Inventory System.

OGP will ensure that all information available to the public electronically, meets standard practices for accessible web design by members of the public with disabilities, setting an example for other agencies.

Total Budget Link: FTE: 42

Budget: \$9.3 Million

Validation/Verification

Web sites will be tested against the access validation tools referenced by the World Wide Web Consortium. The World Wide Web Consortium is a voluntary consensus standards body in which OGP and other government representatives participate. The data from these measures will be a by-product of an automated Federal grant system, capturing actual data from the business process.

Another means of validation and verification is day to day project management and the OGP-wide balanced score card process. Management continues to communicate its support for quality data.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Make Government policies and best practices timely, accessible and useful.

Performance Goal

Develop partnerships to share resources.

OGP is establishing this new performance goal to emphasize the building of partnerships with our customers, to develop a thorough understanding of their concerns, anticipate their needs, and find creative solutions for them.

Performance Measure

Ability to build collaborative partnerships that result in mutual resource sharing.

For FY 2002, the budget request for OGP is \$59 million, however, OGP's sphere of influence is approximately \$600 billion of the federal budget. OGP does most of its work in collaboration with partners in a wide range of groups from the federal government, other governments, and the private sector. OGP's partners are sometimes willing and able to provide additional support through a number of means - the provision of direct cash assistance, part-time or full-time personnel on detail, access to information, etc.

Indicators:

- A - The number of partners contributing resources to support OGP initiatives.
- B - Dollars from outside OGP supporting OGP initiatives.

Indicator	FY2000 Baseline	FY2001 Target	FY2002 & Target
A	60	78	93
B	\$3,155K	\$5,980K	\$8,780K

Strategies

Tracking systems will identify initiatives and specify dollars and FTE where partners are contributing resources.

Acquisition: Obtain funding from Procurement Executives Council (PEC) to support the Federal Data Procurement Systems (FPDS).

Committee Management: Increase reimbursable training/services. Expand shared system with customer- funded improvements.

Electronic Government: Use agency contributions as a method of developing credibility for our initiatives with OMB, Congress, and industry stakeholders. We will do this by actively measuring number of partners contributing resources, the number of MOUs established which result in agency contributions, and use the indicators as described above.

Information Technology-Federal IT Management: The Office of Information Technology (OIT) expanded its collection and management of interagency funding to \$11.4 million during FY 2000, increasing from \$780,000 to \$3.5 million for the CIO Council alone. This figure will grow to \$17

million during FY 2001, and about one-third of those funds are used for CIO Council sponsored programs that are managed by OIT.

RISC: Provide a method for agencies to publish their regulatory agendas and plans in a unified cost effective manner and provide a repository of federal regulatory information.

Real Property: Build collaborative partnerships during the course of ongoing initiatives such as CASU, GRPIS, performance measurement and strategic planning.

Transportation: Promote development of initiative business cases for prioritization of budget resources. Develop marketing plan to include the benefits of sharing resources with OGP Office of Transportation and Personal Property.

Total Budget Link: FTE: 11

Budget: \$2.1 Million

Verification/Validation

OGP will verify with partners the external dollar amounts supporting OGP initiatives plus utilize internal budget reports. OGP will maintain tracking of funds against approved budget and will analyze the correlation between our programs and the Strategic Plan, the priorities of the Administration and of OMB, plus Congressional initiatives. OGP will continue with the regular monitoring and reports on status of funds to OGP managers, OMB, CIO Council, and other responsible interagency committees. In-house assessment of the participation of Federal partners in terms of actual dollars invested and FTE's provided will be ongoing. Day to day project management and integration into the OGP-wide Balanced Scorecard process also serves as another means of validation.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Make Government policies and best practices timely, accessible and useful.

Performance Goal

Improve customer satisfaction.

This is a new performance goal for OGP. The emphasize for OGP is build partnerships with our customers, develop a thorough understanding of their concerns, anticipate their needs, and find creative solutions for them that will increase their satisfaction with our services.

Performance Measure

Customer satisfaction with OGP's services.

Both the performance goal and the measure are new for OGP.
Indicators:

- A - Percent program areas achieving overall customer satisfaction goals.
- B - Percent program areas with initiatives to address emerging issues.
- C - Percent program areas that demonstrate integration of customer, stakeholder, and other external interests into their initiatives.

Indicator	FY2001 Baseline	FY2002 Target	FY2002 Actual
A	TBD		
B	TBD		
C	TBD		

Strategies

OGP will develop a coordinated, systematic approach to collecting customer satisfaction data within available resources. This may include surveys and other processes for collecting customer data, such as focus groups and structured interviews, to ensure that the voices of all customers are being heard throughout the organization. Each program area will have its own customer satisfaction target, in terms of the percentage of customers who report that they are satisfied or highly satisfied, but the corporate measure will track only the percentage of program areas that have achieved their specific assigned levels.

Part of maintaining expertise in OGP's program areas is identifying emerging issues that impact our customers. OGP does this by developing OGP personnel through training, participating in and leading seminars, and other research.

Current Status

Efforts are now underway, a statement of work has gone to 4 vendors soliciting competitive proposals to work with staff to pilot the customer satisfaction survey. Once the bidding process is complete, the vendor will assist in the identification of the customer survey population, and create a statistically valid instrument to measure customer satisfaction. Initially the survey will be piloted in only two subordinate OGP organizations. Once the pilot is successfully completed, the survey will be expanded to include the remaining OGP components. Thereafter, OGP staff will

administer the survey on an annual basis, and collect baseline and trend information for incorporation into the Balanced Scorecard and other performance planning vehicles.

Total Budget Link: FTE: 2

Budget: \$70,000

Verification/Validation

OGP will conduct customer focus groups and structured interviews to verify, validate, clarify, and amplify survey results. Another source of data will be OGP's internal initiative tracking system. Also, project managers will indicate the extent that customers, stakeholders and others external to OGP have been involved in designing and implementing the initiative.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal

Establish policies, standards and best practices to help develop a single face for Government electronic business transactions.

The rapid transition of the Federal Government to electronic processes raises a critical need to ensure that individual agencies do not become technologically “stove-piped” by developing proprietary administrative systems. In addition, the growth of the Internet and the use of web technology has created a need to standardize business transactions so that the Government can operate efficiently with industry partners and the public in this new environment. OGP’s mandate is to help the Government develop a common approach to the technological and administrative issues raised by the increasing use of electronic commerce.

Performance Measures

A) Number of Governmentwide solutions developed and best practices recognized

FY 1998 Baseline	N/A
FY 1999 Target	4
FY 1999 Actual	4
FY 2000 Target	4
FY 2000 Actual	4
FY 2001 Target	5
FY 2002 Target	6

B) Number of Governmentwide guidelines developed

FY 1998 Baseline	N/A
FY 1999 Target	3
FY 1999 Actual	3
FY 2000 Target	3
FY 2000 Actual	3
FY 2001 Target	4
FY 2002 Target	5

C) Number of Government-Industry collaborative efforts to develop interoperability standards

FY 1998 Baseline	N/A
FY 1999 Target	5
FY 1999 Actual	4
FY 2000 Target	5
FY 2000 Actual	5
FY 2001 Target	5
FY 2002 Target	5

D) Number of Government-Industry information sharing initiatives

FY 1998 Baseline	N/A
FY 1999 Target	5
FY 1999 Actual	7
FY 2000 Target	5
FY 2000 Actual	5
FY 2001 Target	6
FY 2002 Target	7

Strategies

Establish a Government-industry working group to consider technical issues in Electronic Commerce (EC) implementation and establish policies to encourage and facilitate Federal adoption of interoperability standards.

Conduct pilots to test Governmentwide interoperability solutions, such as those that would allow Federal agencies to search and buy from Government and commercial catalogs; provide a common interface for Federal grants applicants; permit open buying on the Internet; and other commercial practices.

Develop a policy framework and technical guidelines for digital signatures, which will allow web-based government business to take place in a secure electronic environment, a public key infrastructure. Use the Online Statistical Reporting System to develop performance measures and measure the progress of EC in the Government.

Continue working with DoD to provide funding and develop an Electronic Data Interchange (EDI) support infrastructure.

Total Budget Link: FTE: 4

Budget: \$725,000

Verification/Validation

Utilize established Government-Industry group, Agencies, and other interagency groups to provide input as to which policies, standards, and best practices are to be established. Perform pilot tests to establish long-term operational systems. Partnerships with, and the acceptance of, industry validate success of established policies.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate and evaluate policies and best practices that enable better acquisition, management, and utilization of Government resources.

Performance Goal

Provide a centralized source of information on IT products that have been tested by users with disabilities pursuant to the accessibility standard mandated by Section 508 of the Workforce Investment Act.

OGP is developing voluntary consensus standards and tools for accessibility interoperability and conducting a "Fast Track" Proof of Concept of the testing program [Note: The voluntary consensus standards model is a different approach to testing Electronic and Information Technology (E&IT) products. To gain acceptance among users and industry the concept must be "proved" by taking one class of E&IT products and successfully performing a testing routine. Once successful, the model proves that it can be used for additional classes of E&IT products.].

These standards and tools will ensure interoperability between E&IT with known accessibility problems and the various assistive technology tools used by persons with disabilities. The Proof of Concept shall ensure the interoperability between a single class of E&IT with known accessibility problems and the various assistive technology tools used by persons with disabilities.

The program shall use existing standards and guidelines as a basis for the standards and tools, and shall base the project on the Access Board's Rule on Accessibility of E&IT, if **available**.

Performance Measure

Number of E&IT classes with accepted protocols.

(The number of E&IT product classes with acceptable protocols measures the product lines where all involved (procurement officials, users, and industry) can be reasonably sure that purchases meet the standards set by the law and the accompanying regulations.)

FY 2000 Target	N/A (Contract just being let)
FY 2000 Actual	N/A
FY 2001 Target	3
FY 2002 Target	12

Strategies

Review existing accessibility standards and guideline documents for the class of E&IT selected as the test case to determine their applicability to the requirements under Section 508.

Agree on the requirements for Section 508 conformance and interoperability with Assistive Technologies, while incorporating existing guidelines and the Access Board's standards.

Develop a consensus standard, test protocol, and test mechanism for the test case.

Provide feedback on the development of the standard, protocol, and mechanism throughout the development process. The feedback shall be made available to all stakeholders using the project collaboration mechanism.

Obtain acceptance and implementation of the consensus standard by an accredited organization such as the American National Standards Institute (ANSI) or International Standards Organization (ISO).

Obtain acceptance and implementation of the consensus standard by industry developers/vendors of products contained within the class of E&IT chosen as the test case.

Apply the procedures, protocols, and mechanisms to other classes of E&IT addressed by Section 508 in the extended project.

Total Budget Link: FTE: 2 Budget: \$1.0 Million

Verification/Validation

Validation is signaled by acceptance of the standards by industry and users. The voluntary consensus standards forum will develop testing scripts for each class of IT product. Once established, the script will be placed on <http://www.section508.gov>. Quality check – 1) the voluntary consensus standards forum will consist of vendors and users working together to develop acceptable scripts; 2) absence of complaints or lawsuits for products represented as 508 compliant as a result of the voluntary consensus standard process.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Meet Federal Social and Environmental Goals
GSA Strategic Objective	Provide employment opportunities for individuals with disabilities.

Performance Goal

Assist federal agencies where the products, services, and infrastructure have not been implemented to meet the needs of persons with disabilities for a barrier-free IT environment.

This performance goal has been refined to stress the development of an infrastructure to ensure that persons with disabilities are provided IT resources to enhance their participation in the workplace and to comply with the requirements of Public Law 105-220, Section 508.

Performance Measure

The number of projects that meet their performance individual goals.

FY 2000 Baseline	3
FY 2000 Actual	3
FY 2001 Target	8
FY 2002 Target	8

Strategy

The principal agencies involved in Section 508 activity have formed a working group called the Federal Information Technology Accessibility Initiative (FITAI) with OGP acting as coordinator. The initiative has eight project components.

Agency Teams. OGP distributed a letter to agency Chief Information Officers (CIO) asking them to identify an agency coordinator for Section 508 activity. The coordinators will develop plans for the agency compliance with the requirements for Section 508.

Website. www.section508.gov is the Federal Website for all section 508 material.

Outreach. The initiative is actively involved in presenting and promoting the Section 508 message to a wide range of audiences at conferences, seminars, workshops, and other special events.

Procurement. OGP has organized an interagency procurement working group to design outreach and training programs for procurement officials.

Training. OGP has identified various audiences that will need training in compliance requirements for Section 508. The audiences are: Webmasters, IT developers, Human Resource officials, procurement officials, and program managers. Basic training modules will be developed for each audience, and advanced modules may be developed later depending on need.

Testing. Certification for product compliance with Section 508 requirements will be by the vendor. The Federal government will not certify for 508 compliance. OGP is supporting an industry and user roundtable forum model which will encourage industry and users to work together to develop voluntary consensus standards. This approach comports with the intent in OMB Circular A-119.

National Electronic And Information Technology Demonstration Center (Nidrr). In conjunction with NIDRR, OGP will establish a National Center that will focus the leading edge electronic and information technology by bringing the efforts of industry, academia, and the research community together in one place.

Technical Assistance. Section 508 assigns GSA (i.e., OGP) and the Access Board the bulk of the responsibility for providing technical assistance to agencies. OGP is exploring a number of ideas, recommendations, tasks, and activities for technical assistance. Once the business cases for each has been reviewed, a priority ranking will be established. Among the items being considered are the following.

- Department of Justice (DoJ) recommendations
- Establishing a network of Assistive Technology Centers
- Establishing regional Assistive Technology Centers
- Pilot the startup of an Assistive Technology Center
- Documenting best practices
- A national hot line
- A national help desk
- Mentoring program
- SWAT team of experts
- A central clearinghouse for product information

OGP will continue working with the Federal Information Technology Accessibility Initiative to coordinate government-wide Section 508 activity.

Total Budget Link: FTE: 2

Budget: \$2.5 Million

Verification/Validation

Each of the 8 projects within the FITAI has its own measurement for success. No one measure will determine the success of the FITAI. The FITAI will build quality assessment into their normal work processes, using feedback from the community of disabled users as well as other stakeholders. Quality and validity checks will also be performed via interagency team assessments.

Leadership and Support for Governmentwide Improvement Initiatives

OGP provides leadership and supports other Executive Branch policymaking organizations and all Federal agencies in efforts to improve administrative practices and services Governmentwide. Operating from a central point with access to industry, all other Federal agencies and other governments, OGP is uniquely positioned to coordinate major Governmentwide improvement initiatives. These initiatives include the following.

- Developing uniform standards and interoperability guidelines for electronic commerce
- Government to business transactions
- Government to citizen transactions
- Inter-government transactions
- Smart cards and digital signatures
- Providing consistent training for agencies' procurement personnel in recent federal acquisition policies
- Improving the skills of information resources managers government-wide
- Facilitating the use of the Internet for exchange of Government information

Through its work on the Federal Acquisition Regulation, for example, OGP is encouraging agencies to use commercial products rather than procuring equivalent products through elaborate and expensive Government contracts. The Government's goal is to steadily increase the percentage of items procured commercially. While OGP's acquisition policies foster commercial procurement, there is no way to isolate and quantify OGP's impact. Likewise, while the widespread use of charge cards in Government purchasing is supported by OGP policies and OGP is spearheading the adoption of electronic commerce in the Government, OGP's influence on the use of charge cards by Federal employees is not measurable. And, while OGP benchmarks fleet operations and facilitates the collection of performance measurement data for the Federal fleets, it cannot be held accountable for controlling fleet operating costs.

Therefore, the major initiatives described in this performance plan are a discrete few, and don't fully reflect OGP's wide-ranging sphere of influence. They are:

Establishing and maintaining a core curriculum for training acquisition personnel
Increasing the skills of IT Professionals Governmentwide
Providing a single point of entry for companies to do business with the Government
Providing a single Federal gateway to the Internet

Support for Governmentwide Improvement Initiatives

GSA	
Strategic Goal	Promote responsible asset management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of Government Resources.

Performance Goal

Establish and maintain a core curriculum of internet-based courses and increase the number of training instances.

OGP's Federal Acquisition Institute (FAI) works to promote research to improve procurement laws, policies, and related procedures; to identify critical competencies and academic prerequisites for acquisition career fields; to develop instructional materials for acquisition personnel; and to evaluate the effectiveness of training and career development programs for acquisition personnel. In its efforts to promote research and develop instructional materials, the FAI is developing an electronic performance support system (EPSS) which includes competency-based instructional materials, along with the mentoring for acquisition personnel. The EPSS is contained in the FAI Online University. An increase in training instances and use of the mentor system will mean that the number of procurement specialists trained on the latest regulations and best practices will increase, resulting in a better trained acquisition workforce.

Performance Measure

A) Number of new Internet courses developed

FY 1998 Baseline	N/A
FY 1999 Target	3
FY 1999 Actual	4
FY 2000 Target	1
FY 2000 Actual	2
FY 2001 Target	4
FY 2002 Target	5

B) Number of Training Instances

(A training instance is defined as one person completing on-line course session.)

FY 1998 Baseline	849
FY 1999 Target	2,500
FY 1999 Actual	11,157
FY 2000 Target	2,750
FY 2000 Actual	2,800
FY 2001 Target	20,000
FY 2002 Target	30,000

Strategies

Develop a total of 9 new internet-based courses, including commercial and non-commercial courses. Move five college-credit core courses to the Internet by September 2001, as part of a partnership with Arizona State University and the National Association of Purchasing Managers to help the acquisition Workforce meet the educational requirements of the Clinger-Cohen Act. Establish a Governmentwide standard for acquisition professionals accepted by all agencies.

Establish certification levels for all acquisition professionals accepted by all executive agencies. Establish federal-wide certification for all acquisition professionals. Get agencies to adopt and implement a common core curriculum for their acquisition workforce, to promote a common knowledge base and enhance the ability of acquisition professionals to move within and across agencies.

Total Budget Link: FTE: 9 Budget: \$3.4 Million

Verification/Validation

The FAI Online University database tracks the training instances, agency affiliation, test results, as well as collects students' satisfaction ratings. Using FAI records, the staff of the FAI will verify that the database does not contain duplicate records and the information is complete.

Support for Governmentwide Improvement Initiatives

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management and utilization of Government resources.

Performance Goal

Improve the professional skills of present and future Federal IT leaders.

Performance Measure

Number of Federal IT professionals in OGP IT leadership programs.

FY 1999 Actuals:

857 students enrolled in "1,000 by the Year 2000"

1,383 students completing Trail Boss seminars

140 participants at Trail Boss Roundup

460 participants at IRMCO

FY 2000 Actuals:

1,038 students enrolled in "1,000 by the Year 2000" (*Goal accomplished.*)

110 participants at Trail Boss Roundup (*last and final roundup held 4/00*)

414 participants at IRMCO

51 STAR seminar participants

40 CIO University participants

FY 2001 Targets:

425 participants at IRMCO

60 participants to have completed the STAR program

100 CIO University participants

FY 2002 Targets:

425 participants at IRMCO

170 participants completed the STAR program

170 CIO University participants

Strategies

OGP will provide several professional development opportunities for Federal information resource managers:

The "1,000 by the Year 2000", or 1000 x 2000, program sought to have 1,000 Federal IT professionals receive certificates for 18 hours of graduate work by the end of 2000 from 28 participating colleges and universities. This goal was accomplished in FY 2000.

The Interagency Resources Management Conference (IRMCO) enhances issue resolution and provides a venue for education and information sharing among government, academic and industry leaders. The forums directly impact program performance and mission delivery by improving the skills and competencies of participants, resulting in more highly skilled and effective Federal IT leaders.

Although the Trail Boss Seminars ended in FY 1999, the Trail Boss network and its Trail Boss RoundUp annual conference continue. During FY 2000, OGP in partnership with the CIO Council began a new program, the Strategic and Tactical Advocates for Results (STAR). STAR will focus on the development of mid- to upper-level managers and executives from the finance, information technology and business lines of an agency. It will focus on getting these communities to work together to achieve agency mission objectives more successfully.

OGP will analyze data from broad-based Governmentwide activities such as the Federal IT Workforce Challenge and other interagency groups to determine IT professional development needs.

Total Budget Link: FTE 13

Budget: \$2.0 Million

Verification/Validation

Data is collected and maintained by actual program managers. Data is verified as applications are received for various programs. Analysis of attendee databases; of student surveys; surveys of conference and seminar attendees; feedback from interviews with alumni, network members, and Chief Information Officers is regularly conducted.

Support for Governmentwide Improvement Initiatives

GSA	
Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal

Provide a "single point of entry" for industry to find opportunities to do business with the Federal government.

The Electronic Posting System (EPS), now known as FedBizOpps, is the single point of entry for Federal procurement opportunities. Industry, especially small businesses, will be able to search and download solicitations, register for e-mail notification of applicable opportunities, and eventually submit proposals electronically. Federal agencies will save money by eliminating the need for the production, mailing and coordination of paper-based solicitations. Agencies that currently have electronic posting systems will save money by using the EPS instead of maintaining their own. The Office of Governmentwide Policy developed EPS as part of the Acquisition Reform Network (ARNet), which is a central web site for acquisition regulations, policies and guidance. EPS will soon be part of a suite of services available through a Governmentwide portal. Additional modules will be added to EPS to expand its functionality. OGP also intends to improve the functionality, accessibility and accuracy of data in the Excluded Parties List System (EPLS).

Performance Measure

Number of agencies using the EPS system.

FY 1998 Baseline	5
FY 1999 Target	10
FY 1999 Actual	12
FY 2000 Target	20
FY 2000 Actual	19
FY 2001 & Beyond	40

Strategies

Enhance and expand the utility of EPS. Refine the EPS software to ensure portability and scalability of the applications for Governmentwide use. Work with Department of Commerce to integrate the electronic Commerce Business Daily with EPS. Make regulatory changes to the FAR.

Total Budget Link: FTE: 4

Budget: \$2.4 Million (includes \$1.4 Million increase for budget initiative related to the Electronic Posting System under "Electronic Governance")

Verification/Validation

The EPS will track which agencies are posting information to the system. OGP will also look into tracking the number of hits or inquiries received by the system. Support for Governmentwide Improvement Initiatives is a part of the validation process.

Support for Governmentwide Improvement Initiatives

GSA	
Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal

Provide a prototype Federal gateway to the Internet to make Government information more accessible to the public.

To promote the use of the Internet, OGP is developing "Firstgov.gov," which will provide a single gateway site for quick and easy access to Government information over the Internet. Firstgov.gov combines consolidated information, hyperlinks, and searching mechanisms to offer the public ready access to Governmentwide information wherever it resides on Federal agency web sites. This will save the public time in locating information and make it easier for agencies to share information with the public.

Performance Measures

Number of links by Firstgov.gov to other web sites.

FY1999 Baseline

Develop beta version prototype Webgov website with 1,000 links to Federal sites.

FY1999 Actual

Webgov website with 1,000 links was built.

FY 2000 Actual

Developed beta version prototype FirstGov web site with 1,000 links to Federal sites.¹

FY 2001 Target

Populate search database with at least 2,000 Federal web sites. Contract with outside firm to build and operate a fully functioning web site.

FY 2002 Target

Ensure that the contractor provides links to 10,000 federal web sites.

Strategies

Provide initial analytical and system administrative support to develop and maintain the prototype Firstgov.gov web site. Obtain contractor support to build and expand the search and other information features of Firstgov.gov. Pursue strategic partnerships for the long-term operational sustainability of Firstgov.gov including agencies as well as private sector "Certified Partners".

Total Budget Link: FTE: 2

Budget: \$7.8 Million

¹ FY1999 Baseline referred to WebGov, and was to develop a beta version prototype website with 1,000 links to Federal sites. The entry for FY 2000 reflected above refers to another system called "FirstGov" that was built after Webgov. In FY2000 the successor initiative, FirstGov, actually built a fully operational system with links to 2,000 web pages on other agency sites. Additionally the FY2001 and FY2002 targets were also achieved in FY2000. So, we will need to address this in the 2003 plan and set new goals.

Verification/Validation

Track the number of visits to FirstGov.gov. Allow users to submit comments on how the improve the web pages.

XI. OTHER RESPONSIBILITY SEGMENTS

The following two performance goals are managed by GSA Offices that are independent of the Services OGP.

Child Care

The Office of Child Care Initiatives provides policy leadership, guidance, oversight and information on quality child care in Federal facilities. It reports directly to the Administrator.

Consumer Information

The Consumer Information Center is part of the Office of Communications which reports directly to the Administrator.

Child Care

GSA	
Strategic Goal	Compete Effectively for the Federal Market.
GSA Strategic Objective	Develop a model work environment for the future that is efficient, fully accessible, healthy, comfortable and economical.

Performance Goal

Maintain/increase the number of children of Federal employees who receive care at GSA child care centers.

Performance Measure

Number of children from Federal families as a percent of total children receiving care in each GSA child care center.

FY 1998 Baseline	50%
FY 2001 Target	50%
FY 2002 Target	50%

Strategies

Work with the Office of Personnel Management and customer agencies to develop subsidy programs for lower salaried employees to the extent authorized by law.

Assess cost structure and customer satisfaction issues in child care centers with low Federal participation. This will help us identify possible causes of low Federal participation.

Develop action plans to address cost and satisfaction issues identified. This will ensure that we have an orderly, planned approach to addressing problems that might limit Federal participation.

Budget Link

Cost estimates for subsidy programs are under development.

Verification/Validation

Source of data is GSA Child Care Center of Expertise database.

Child Care

GSA	
Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop a model work environment for the future that is efficient, fully accessible, healthy, comfortable and economical.

Performance Goal

Achieve 100% accreditation of all eligible GSA child care centers.

Performance Measure

Percent of eligible child care centers accredited by the National Association for the Education of Young Children.

FY 1998 Baseline	70%
FY 2000 Actual	88%
FY 2001 Target	100%
FY 2002 Target	100%

Strategies

Develop a plan to modernize existing child care centers. This will identify upgrades and repairs that need to be made to make centers eligible for accreditation.

Update guidance on GSA's child care program. This guidance will explain the accreditation process and requirements to regional personnel and give them a better understanding of actions that need to be taken.

Develop a plan to monitor the status of all GSA child care centers. A system like this will help ensure that data about our program are accurate and timely.

Verification/Validation

Source of data is GSA Child Care Operations Center of Expertise database.

Consumer Information Center

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Continuously improve relationships with our customers by developing a thorough understanding of their concerns, anticipating their needs and finding creative solutions for them.

Performance Goal

Increase the magnitude and quality of the outreach of Federal consumer information through effective delivery of services to other Federal agencies, the print and broadcast media, and the public.

CIC informs the public about vital topics such as health and safety issues, developments in Federal programs, and the impact and effects of Federal research and regulatory actions. To make sure that every American has access to the most recent and helpful government information, the CIC identifies and coordinates information from more than 40 Federal agencies; its media and direct mail marketing programs promote public awareness of the information; its contracts with the Government Printing Office (GPO) distribute printed information from the nationally known facility in Pueblo, Colorado; its toll-free telephone system enables consumers to more easily order publications; and its Internet web site makes this information available electronically. CIC produces the Consumer Information Catalog, which lists hundreds of popular titles from Federal agencies on various important subjects. CIC also publishes the Consumer's Resource Handbook, which is one of the most informative and popular consumer documents issued by the Government. It is designed to help citizens find the best and most direct source for assistance with their consumer problems and questions.

Performance Measure

Number of Publications Ordered and Accesses Recorded.

FY 1999 Baseline	6 million Publications/8 million accesses
FY 2000 Target	6 million Publications/10 million accesses
FY 2001 Target	6 million Publications/12 million accesses
FY 2002 Target	6 million Publications/12 million accesses

Strategies

Utilize an innovative media and marketing program to increase citizen awareness of available information.

Utilize centralized distribution system for print products and a comprehensive Web site to further enhance distribution of information to customers.

XII. STAFF SUPPORT

The following GSA Staff Offices are independent of the Services and OGP but are responsible for important performance goals.

Office of Chief Financial Officer

The Office of Chief Financial Officer provides policy leadership in financial matters. CFO reports directly to the Administrator.

Office of Chief Information Officer

Office of Chief Information Officer provides policy and technical guidance concerning the GSA IT infrastructure. CIO reports directly to the Administrator.

Office of Chief People Officer

Office of Chief People Officer provides policy and technical guidance concerning the human capital of GSA. CPO reports directly to the Administrator.

Office of the Chief Financial Officer

GSA Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of Government resources.

Performance Goal

Increase the percentage of vendor payments made by electronic media such as Electronic Fund Transfer (EFT) and purchase credit card.

Performance Measure

Percentage of invoices paid electronically.

FY 1999 Baseline	62%
FY 2000 Actual	71%
FY 2001 1 st Qtr Actual	77%
FY 2001 Target	76%
FY 2002 Target	80%

Strategies

Emphasize the use of purchase credit card to procurement officials when purchase is less than \$100,000.

Utilize direct mail and personal telephone contact to solicit vendor-banking data.

Budget Link

This function is performed within the Working Capital Fund with a FY 2001 budget of \$296 million.

Verification/Validation

Data source is the National Electronic Accounting and Reporting System (NEARS).

Office of the Chief Financial Officer

GSA Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of Government resources.

Performance Goal

Increase the percentage of invoices received electronically by Electronic Data Interchange (EDI) through the World Wide Web (Internet).

Performance Measure

Percentage of electronic invoice received.

FY 1999 Baseline	12%
FY 2000 Actual	12%
FY 2001 1 st Qtr Actual	21%
FY 2001 Target	20%
FY 2002 Target	25%

Strategies

Encourage vendors to submit invoices via the World Wide Web by placing clauses in GSA contracts and orders.

Budget Link

This function is performed within the Working Capital Fund, which has a FY 2001 budget of \$296 million.

Verification/Validation

Date Source is the National Electronic Accounting and Reporting System (NEARS).

Office of the Chief Financial Officer

GSA Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of Government resources.

Performance Goal

Increase the percentage of invoices collected through the On-Line Payment and Collection (OPAC) System.

Note that OPAC becomes the Intra-Governmental Payment and Collection (IPAC) System in mid-calendar year 2001.

Performance Measure

Percentage of invoice collected on-line.

FY 1999 Baseline	82%
FY 2000 Actual	85%
FY 2001 1 st Qtr. Actual	88%
FY 2001 Target	88%
FY 2002 Target	89%

Strategies

Encourage GSA customers to switch from paying by paper check to an electronic mode such as OPAC.

Improve cash position of Funds and allow more efficient and effective use of staffing by increasing the amount of invoices paid by OPAC.

Budget Link

This function is performed within the Working Capital Fund, which has a FY 2001 budget of \$296 million.

Verification/Validation

Date source is the National Electronic Accounting and Reporting System (NEARS).

Office of the Chief Financial Officer

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Manage assets and related services effectively.

Performance Goal

Conduct review of 5 % of FTE performing Commercial Activities (as identified by GSA FAIR Act Inventory) by September 30, 2002.

Performance Measure

Review 5 % of FTE positions as identified in the FAIR Act Inventory for competition or direct conversion.

	# FTE
FY 2002 Target	367

Strategies

GSA will utilize dedicated Agency resources as well as virtual teams to address its needs.

GSA will utilize contractor support as appropriate, such as for training and support of competitions or direct conversions.

GSA will maintain a government-wide and industry presence in order to identify and capitalize upon other organization's best practices.

Budget Link

This function is performed within the Working Capital Fund, which has a FY 2001 budget of \$296 million.

Verification/Validation

Date source is the GSA FAIR Act inventory.

Office of the Chief Information Officer

GSA Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal

Resolve all high-risk vulnerabilities and conditions detected by IT audits or reviews within 30 days of findings and recommendations.

GSA has had several audits and reviews conducted by PriceWaterhouseCoopers and the Office of Inspector General, which have identified IT Security vulnerabilities and weaknesses. As a result of slow action within the agency to complete work to correct the issues identified, some of the findings have been repeated in subsequent studies.

As GSA must take a much more aggressive approach to resolving findings and recommendations contained in all audits and reviews, we anticipate a more secure IT environment across the enterprise and we will be better able to protect our system, data, and information assets. We anticipate that this will also result in the elimination of repeat findings in the future.

Performance Measure

Percent high risk audit action items completed successfully within the 30-day time standard.

FY 2001 Target	100%
FY 2002 Target	100%

Strategies

The Office of the Chief Information Officer (CIO) will take action to meet the goal by taking the following actions.

Continue to work closely with the Office of the Inspector General on the conduct and reporting of audits and reviews.

Monitor closely the alignment of action plans with all findings and recommendations.

Reject and request detailed justification for all actions that are not accomplished within the established time standard.

Identify by Service or Staff Office all findings and recommendations and provide statistical aging reports regarding completion of actions.

Budget Link

This function is performed within the Working Capital Fund, which has a FY 2001 budget of \$ 296 million.

Verification/Validation

Sources for data are the findings of professional consultants, PriceWaterhouseCoopers, and database records maintained by the IG.

Office of the Chief Information Officer

GSA Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal

Ensure GSA IT Capital Investment projects remain within 10% of the cost and schedule approved by the IT Investment Review Process.

In accordance with the requirements of the Clinger-Cohen Act, the GSA CIO is responsible for ensuring that our IT investments remain within 10% of the planned cost and schedule.

Performance Measure

Percentage of IT investment projects that are 1) within the planned cost and schedule requirements and 2) the percentage that exceeds the planned cost and schedule by more than 10%.

	<u>Percentage within Cost & Schedule</u>	<u>Percentage Exceeding Tolerance</u>
FY 2001 Target	100%	0%
FY 2002 Target	100%	0%

Strategies

The Office of the CIO will ensure that the performance goal is met by adopting the following strategies.

Ensure appropriate policies and best practices are used for IT investments as well as appropriate IT management techniques in order to conserve Government resources and assets.

Equip business lines with the technological ability to provide quality products and services for our customers.

Develop projects that will facilitate electronic transactions with our Government customers, industry partners and citizens.

Identify and track the number of IT investments that are reviewed and approved through the IT Capital Planning and Investment Process.

Identify and track the IT investments with a completed project plan, cost benefit analysis and risk management plan.

In collaboration with the Services and the Staff Offices, track and report on projects' planned cost and schedule and on any deviations of IT projects.

Budget Link

This function is performed within the Working Capital Fund, which has a FY 2001 budget of \$296 Million.

Verification/Validation

Sources for data are the approved GSA IT Capital Investment Fund Projects and status reports.

Office of the Chief Information Officer

GSA Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Performance Goal

Maintain a 95% customer satisfaction rating in services provided.

The Office of the CIO provides an enterprise-wide Corporate Information Network. In addition the CIO provides mail messaging services and systems within the agency.

Performance Measure

Percentage customers rating service and support provided by CIO as highly effective.

FY 2001 Target: 85%
FY 2002 Target: 95%

Strategies

To gauge customer satisfaction with our performance, the GSA Office of the CIO will request immediate feedback on day-to-day service provided.

The CIO will conduct an annual survey of the level of customer satisfaction with services provided.

An assessment will be conducted annually on the performance of the Seat Management contractor.

The results of the survey and the contractor performance assessment will be evaluated to determine corrective actions or changes that may be required to continuously improve the level of service and to maintain a 95% customer satisfaction rating.

Budget Link

This function is performed within the GSA Working Capital Fund with a FY 2001 budget is \$ 296 Million.

Verification/Validation

Sources for data are the approved GSA IT Capital Investment Fund Projects and status reports.

Office of the Chief People Officer

The GSA Inspector General has identified the demographics of GSA's workforce as a management challenge. GSA's Human Resources community and GSA's managers have been working to deploy solutions to this problem. First, GSA formed a Worldclass Workforce (WCW) Team to review how we can meet changing skill needs within the agency. This has led to increased emphasis on hiring recent college graduates and a focus on improving the skills of current employees. In addition the WCW team has held a series of meetings with managers to share best practices in the areas of recruiting, energizing employees, and developing leaders.

Second, GSA has developed a variety of programs to address the impending increase in employee turnover due to retirements. These programs include adopting Gallup Corporation's Q-12 survey of employee engagement, contracting with OPM to develop a succession plan for PBS leadership, and hiring a private vendor to deploy additional training to managers in FTS. There are a number of initiatives at the corporate, service, and regional level to deal with the challenges of GSA's aging workforce and its impact on meeting the business objectives of the agency.

For the last two years GSA has been ranked in the top three federal agencies in job satisfaction as measured in the OPM "Merit Principles" survey of federal employees. The steps that GSA has taken to date have enhanced the ability of GSA to maintain and attract employees.

Office of the Chief People Officer

Human Resources

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Performance Goal

Increase customer satisfaction with filling vacancies.

Performance Measure

Overall customer satisfaction rating with the recruitment process.

FY 2001 Target: 3.25 (on a 5.0 scale)

FY 2002 Target: 3.50

Strategies

HR will consult with its customers to identify current and future recruitment needs. HR will meet with its clients to clarify the needs of the organization and to identify best recruiting sources for the vacancy. Identification of the recruiting sources will focus on producing candidates with the requisite skills, not just producing numerous applicants. The importance of providing reliable, courteous, and prompt service to our customers will be reiterated to all staff members.

Budget Link

This function is performed within the Working Capital Fund with a FY 2001 budget of \$ 296 Million.

Verification/Validation

Data will be obtained from Customer Satisfaction Survey conducted annually and from daily customer feedback. An assessment of contractor provided service will also be conducted.

Office of the Chief People Officer

GSA Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Performance Goal

Improve cycle time for recruiting.

Performance Measure

Average number of days from the receipt of request for personnel action to referral.

FY 2001 Target	120 days
FY 2002 Target	90 days

Strategies

HR will identify and encourage cost effective methods to streamline the recruitment process. HR will consult with its customers to identify best recruiting sources for the vacancy. HR will consult with managers to develop well-defined crediting plans to distinguish candidates that can meet the business needs of the agency.

Budget Link

This function is performed within the Working Capital Fund with a FY 2001 budget of \$296 Million.

Verification/Validation

Agency personnel records will be the source of data.

Office of the Chief People Officer

GSA Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal

Increase use of online university as a cost-effective method to improve employee skills.

Performance Measure

Increase usage of Online University.

FY 2001 Target: 15%

FY 2002 Target: 20%

Strategies

Encourage the use of Online University as an alternative to traditional classroom training with the following strategies.

Promote the cost effectiveness of the Online University.

Promote the timesavings over than traditional classroom training.

Promote the variety of courses and convenience of training that can be conducted online.

Budget Link

This function is performed within the Working Capital Fund with a FY 2001 budget of \$ 296 Million.

Verification/Validation

Online University usage reports will provide measurement data.

CROSSWALK BETWEEN BUDGET ACCOUNTS AND PERFORMANCE PLAN

<u>Account</u>	<u>Amt in FY 2002 Budget (\$ mil.)</u>	<u>Relationship to Performance Plan</u>
Operating Expenses - Direct	<u>\$203.2</u>	Each component explained below.
Policy and Operations	[138.5]	Includes \$55.8 million for Office of Governmentwide Policy and lesser amounts for real and personal property responsibility segments. Also includes Agency Direction which is not covered by the Plan.
Federal Consumer Information	[7.3]	See Consumer Information responsibility segment.
Inspector General	[36.0]	Covered by a separate performance plan
Former Presidents	[3.4]	Non-discretionary. Not covered by performance measures.
Federal Buildings Fund	<u>\$6,820.7</u>	Finances the Public Buildings Service
Construction & Acquisition of Facilities	[726.7]	See Construction and Acquisition responsibility segment.
Repair & Alterations	[1,121.1]	See Repairs & Alterations responsibility segment.
Installment Acquisition Payments	[186.4]	Consists of time payments on certain buildings authorized and built in prior years. Not covered in Performance Plan.
Rental of Space	[3,021.1]	See Leasing responsibility segment.
Building Operations	[1,749.0]	See Government-Owned Buildings responsibility segment.
Reimbursable Programs	<u>960.0</u>	Above standard services provided to PBS tenants. Also includes work related to large projects funded by the appropriations of tenant agencies. Large projects are covered in the PBS Construction and Acquisition segment.
General Supply Fund	<u>3,582.0</u>	Finances the Federal Supply Service.
Information Technology Fund	<u>6,343.7</u>	Finances the Federal Technology Service.
Working Capital Fund	<u>302.1</u>	This account is funded by allocations from the three service-based Funds and the Operating Appropriation. It finances support activities including those of the Chief Financial Officer, Chief Information Officer, Chief People Officer and General Counsel. Not directly covered in the Performance Plan.
Federal Consumer Information Center (Reimbursable)	<u>3.3</u>	Reimbursements from Federal agencies to cover costs of providing their information to the public. See Consumer Information responsibility segment.
Permanent Indefinite Appropriation	<u>21.5</u>	See Travel and Transportation responsibility segment. This account finances the Transportation Audit function.
E-Gov	<u>20.0</u>	Covers various electronic Government initiatives. Not directly covered by the Plan